Friday September 5 1986

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Doubt on

World news

OPE

clines

French role in Lebanon

France's long-term participation in the Unifil peacekeeping force in Lebanon was put in further doubt when three French soldiers were killed by a terrorist bomb apparently planted by Islamic militia.

The attack coincided with a dec-

laration from the Islamic Jihad group condemning French policy in the Middle East for being too close-ly tied to that of the US and with fresh threats against the French hostages held in Lebanon. France condemned the killings as cowardly and called on the UN to redefine Unifil's mission. Page 22

Peres invited to US

Israeli Prime Minister Shimon Peres has been invited to meet US President Ronald Reagan in Washington on September 15, just a month before he is due to relinquish his premiership.

West Bank trade

The EEC proposed special trade status for the Israeli-occupied territories in the Gaza strip and on the West Bank, which would give fruit and vegetables access to the Community market on terms similar to those for Israel, Jordan and other

Ban on Libyans

The Irish Government is to refuse entry to Libyan students because of Libyan support for the Irish Republican Army (IRA), which is fight-ing to end British rule in Northern

Controller 'distracted'

The air traffic controller handling the AeroMexico DC-9 that crashed in a Los Angeles suburb on Sunday was working at two jobs simultane-ously, according to a federal investi-gator studying the accident, which claimed the lives of at least 85 peo-

Bhutto court move A court in Pakistan ruled that iailed

could appear in court in four days time to contest her detention, but red tight security.

Gadaffi threat

Libyan leader Musmmer Gadaffi threatened to withdraw from the Non-Aligned Movement and form a world army against the US.

Liberian alert

Liberia's government said it had foiled an attempt by a group of dis-sidents to invade the country and

Petrol bomb attack

Catalan guerrillas threw petrol bombs at a Barcelona bank in the second attack in two days against the city's attempts to host the 1992 Olympic Games. No injuries were

Polish N-plant delay

Concern over safety heightened by the Chernobyl nuclear power plant disaster is leading to significant construction delays at Poland's first

nuclear power plant. Page 2 Chile protest

Police in Chile used tear gas and water cannon to disperse demon-strators in central Santiago after the opposition called for protests against the military government of President Augusto Pinochet.

E. German taxis

East Germany is to allow private car owners to use their vehicles as taxis in order to combat a taxi shortage and to end a black market in taxi services. Page 2

Harvard celebrates

Prince Charles of Britain gave the main address at a ceremony in Cambridge, Massachusetts, to mark the 350th anniversary of Harvard

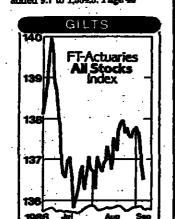
Business summary

Wall St stocks surge to record

WALL STREET shares rose to re cord levels amid renewed confi-dence in the outlook for the US economy. The Dow Jones Industrial average surged to a new peak, adding 38.38 to 1,919.71. Share market report, Page 46

TOKYO: Prices firmed after two lower sessions. The Nikkei average rose 54.19 to 18.559.64. Page 46

LONDON: Equities continued to rise while gits showed fresh falls. The FT-SE 100 gained 9.6 to 1,680.3, while the FT Ordinary share index added 9.7 to 1,334.3. Page 46



GILTS market regained some com posure after a lack of further over seas selling. Sterling's resumed rise against the dollar prompted light demand and the tone held until the after hours trade. Renewed sales aroused by falling gilts futures then put dealers under pressure and longer maturities wilted in sensitive trading to close with fresh falls ranging to 1/2.

DOLLAR closed in New York at DM 20335, SFr 1.8457, FFr 8.6655, and Y15525. It rose in London to DM 20295 (DM 2.0265); SFr 1.6425 (SFr 1.6350); FFr 6.6525 (FFr 6.6450) and Y154.90 (Y154.65). On Bank of England figures the dollar's exchange rate index fell to 110.0 from 110.1.

STERLING closed in New York at \$1.500. It rose in London to \$1.5045 (\$1.4995); DM 3.0525 (DM 3.0375); SFr 2.4700 (SFr 2.4525); FFr 10.0075 (FFr 9.9650), and Y233.0 (Y232.0). The pound's exchange rate index

rose to 71.7 from 71.4. Page 39 GOLD fell \$0.25 to \$406.50 on the London bullion market. It rose in Zurich to \$405.875 from \$405.59. In New York the Comex gold settl

ment for December was \$415.5. CAMPEAU CORPORATION, may-

erick Canadian property developer, launched a surprise \$2.5m bid yes-terday for Allied Stores, big US re-tail group with interests in Bonwit Teller and Brooks Brothers. FRENCH Government blocked the proposed merger between Com-pagnie Générale Maritime, state

pagnie Crenerate Maritime, state shipping group, and Chargeurs Reunis, loss-making cargo and con-tainer subsidiary of Chargeurs, pri-vate transport and communications concern. Page 23.

BRITAIN'S current account surplus on balance of payments was cut to less than £400m (\$268m) in the sec-ond quarter by a fall in earnings from tourism: Page 11

TWO FORMER investment bankers at major New York brokerage firms have pleaded guilty to criminal charges involving the biggest insid-er trading scandal in recent Wall

Street history. Page 22 SEAGRAM, Canadian drinks group, reported higher overall profits for the second quarter and first half of fiscal 1987, due mainly to dividend income and higher unremitted earnings from Du Pont of the US. Page 23

CHRYSLER, third biggest US car manufacturer, increased its com-mon stock dividend by 40 per cent to an annual rate of \$1.40 a share.

Soweto defiant as Pretoria enforces mass funerals ban

BY ANTHONY ROBINSON IN JOHANNESBURG

A MOOD of defiance gripped the black township of Soweto yesterday as thousands stayed away from work to attend the planned mass funeral forbidden by the authori-ties, of victims of last week's evic-

A survey of 100 major employers in the Johannesburg area carried out by the Labour Monitoring Group of Witwatersrand University revealed up to 80 per cent absenteesm in some factories. Community leaders said they were determined to go ahead with plans for a mass imeral and expected the work stay-

Township youths enforced the call for a mass work stayaway by stoning buses and suburban trains. Eyewitnesses reported that barricades or rocks, oil drums and burning rubbish were strewn across roads in the Jabava-White City area of the towship after all-night vigils by bundreds of residents at the

omes of the victims. New restrictions on the press prevent reporting of security force action but the Bureau for Information reported last night that no mass funeral took place although several smaller funerals were conducted. The Bureau said no deaths or injuries had been reported to the se-curity forces, although unconfirmed

killed after trying to board a train into work yesterday morning.

By nightfall Soweto residents re ported that an uneasy calm had re-turned to the White City area but tension remained high as local clergymen, community leaders and families continued preparations for another attempt to hold a mass funeral today.

Residents said a funeral cortege was turned back before reaching Jabavu stadium. In other incidents coffins were left unburied by gravesides as large groups of mourners were forced to flee while helicopters hovered overhead. The official version of events put

out by the Bureau of Information admitted that tear gas had been used to disperse a crowd officially estimated at 5,000 strong which "gathered illegally" at the stadium.

Clergymen, whose application to the supreme court for an injunction to set aside the ban on mass funer als was refused on Wednesday night, accused the authorities of

tricking bereaved families into

signing a document agreeing to abide by the ban. Meanwhile the legality of the ban imposed by the divisional police

called into question by the Pieter maritzburg Supreme Court. The court yesterday declared in-

valid four sections of the emergen cy regulations relating to the me-dia, including one which lawyers we formed the basis for the The Pietermaritzburg judgm

the latest in a series of legal ruling which have successfully challenger aspects of the emergency regula-tions, frees South African publica-tions from the threat of confiscation or closure for publishing material judged subversive in the opinion of the commissioner of police.

■ The lawyer for two South African blacks due to be hanged next Tues-day for murder said yesterday he had failed to secure a stay of execution, Reuter reports from Durban.
Mr Julian Van Kemperer said he
had exhausted the legal process in
his attempt to save Mr Sioho Xulu,

aged 26, and Mr Clarence Payl, aged 20, sentenced to death in April on charges of killing a colleague in the African National Congress The two denied murder but ad mitted belonging to the ANC. They are due to hang in Pretoria's central

Japan rebuffs Pik Botha with new sanctions plan

BY ROBERT MAUTHNER, DIPLOMATIC CORRESPONDENT, IN LANGUAL

courage Japan from applying fresh economic sanctions against it ap-peared to have failed vesterday when Mr Pik Botha, the Foreign Minister, was told in Tokyo that ad-

pared.
Tokyo's new attitude to South Africa was conveyed to Mr Botha during a one-hour meeting with his Japanese opposite number Mr Tad-

Japanese officials would not say what measures were being consid-ered, only that decisions would be reached soon in concert with other Sir Geoffrey Howe, the UK For-

eign Secretary, is to visit Washing-ton next Tuesday for talks with leading members of the US Administration on co-ordinating the West's policies on sanctions against South Africa. Sir Geoffrey is going to Washing-

ton in his capacity as current chair-man of the European Community's Council of Ministers and will have talks with Mr George Shultz, the US Secretary of State, Mr George Bush, the Vice President, and Mr Caspar Weinberger, the Defence Secretary.
A meeting with President Ronald

Reagan is not scheduled but could in are inevitable.

SOUTH AFRICA's attempts to dis- be arranged at the last minute, *** Mr Reagan yesterday announce has happened in the past. Although the Foreign Secretary's year the sanctions the US imposed Aithough the Foreign Secretarys year against South Africa a year ago. it comes at a particularly opportune. The White House said that it was comes at a particularly opportune days after an informal meeting of EEC Foreign Ministers at Brocket Hall, Hertfordshire, near London, at the weekend, at which an agreesultations with its allies. ment in principle on further sanc-tions against South Africa is expect-

The provisional EEC Hague summit package of economic measures, which includes notably a ban on imports of South African coal, iron and steel is not due to be formally endorsed by the foreign ministers until their regular meeting on Sep-tember 15 and 16. But what British officials describe as "the political orientation" on sanctions will be

given as early as this weekend at Brocket Hall. Following Sir Geoffrey's abortive the EEC last July, during which he failed to persuade President P. W. Botha to open a dialogue with South Africa's black leaders, even the most refuctant European governments now believe that further economic measures against Pretor-

that he was extending for another whether to impose new measures which would reinforce the economic measures put into effect last year until the US had completed its con-Although she adamantly refused

to subscribe to the list of sanctions proposed by other Commonwealth countries at their mini-summit in Thatcher, the UK Prime Minister, appears resigned to accepting the measures foreshadowed at the EEC Hague summit two months earlier. She said after last month's Com-

monwealth meeting that Britain "would not stand in the way" of the Hagne package if that was what its European Community partners

Mr Hans-Dietrich Genscher, the West German Foreign Minister, who yesterday had a one-hour meeting with Sir Geoffrey at the Farnborough International Air Show, in southern England, is also believed to have conveyed to his British colleague Bonn's willing-

mission to South Africa on behalf of

Continued on Page 22

Olivetti plans to raise \$537m

'BY ALAN FRIEDMAN IN MILAN OLIVETTI, Italy's office automa-

tion group, yesterday announced plans to raise up to \$537m through he issue of bonds with warrants attached to buy shares.

Olivetti said it will ask shareholders later this month to approve the issue of L500bn (\$358m) of 10-year fixed interest bonds. Shareholders will also be asked to approve an increase in Olivetti's share capital so that the warrants attached to the ably in 1986," the company said. bonds may be used to purchase savings shares worth up to L250bn.

Olivetti did not specify how it would use the funds from the raising, its second of the year. Last April Olivetti unveiled a Swiss

plus an additional L200bn through the exercise of warrants to buy shares attached to the Swiss franc

The maximum amount which could be raised from the two bondplus-warrant issues this year would

"The proceeds from the operation will be added to the group's liquidi-ty, which has increased considerty, which has increased con These new financial resources

are intended to finance a new phase of growth, with significant in-dustrial, commercial and research investments and through new opchanging market.

The Olivetti issue comes 24 hours after Mr Carlo De Benedetti, Olivetti chairman, told analysts in Paris that he plans to raise a further \$800m on international capital markets before the end of the year to finance the growth of his personal in-dustrial and financial empire, which is separate from Olivetti.

Mr De Benedetti, who now controls food companies, car components makers, insurance and banking interests, publishing and other companies in Italy, France and elsewhere, has already raised about \$2bn on international markets this year. In 1985 he raised \$750m, mainly through holding companies

Continued on Page 22

franc bond issue to raise 1430bn

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World **Airways** to halt scheduled flights

By Louise Kehoe In Sen Francisco

WORLD AIRWAYS, the US pioneer of cut-price air travel, is to halt all scheduled passenger flights on Sep-tember 15 and lay off 1,500 employees, more than half its workforce.

The airline, based at Oakland California, plans to expand its char-ter flights and to continue its mainnance services operation in Cali-

World, founded in 1950 by the late Mr Edward J. Daly, who is reputed to have paid \$50,000 of poker winnings for army surplus aircraft, has had a colourful history. The compa-ny started out as a charter airline and by the late 1950s had the largest charter and cargo operations in the US.

World became a scheduled carrier in 1979 and inaugurated trans-continental flights between Oak-land and New York for 599, spark-ing off a price war with established airlines. By 1980, however, World had become a victim of that war. The company lost \$28m that year,

and has posted losses since.

The airline posted a \$23.8m net profit for the six months to June 30, compared with a \$9m loss for the corresponding period in 1985. All the gains, however, came from the sale of one Boeing 747 airliner and the return of four other jets to United. World's shares rose from \$3% to \$4% in early trading yesterday, ap-parently on relief that the entire

airline was not being shut. World said that it now plans to re turn four more DC-10s to United and return five other jets to lessors, leaving the airline with a fleet of

five DC-10s. Mr Jerrold Scoutt, World's chairman, said: "Our priorities are to re-turn to profitable operations as quickly as possible, to attain re-turns that were simply not avail-able in the acheduled airline busi-

World Airways offered flights to the US from London and Frankfurt as well as about 40 domestic flights daily. It was a favourite among Enropean students and holidaymakers airline said that the estimated 50,000 travellers holding World Air-ways tickets would not be stranded. Pan Am, United and Presidential Airways have agreed to accept their

Mr Daly, who owned 82 per cent of World, died in 1982. Since then, World's management team has changed repeatedly as the company attempted a comeback. Yesterday it announced the appointment of a new chief executive, Mr T. Coler Andrews, who previously headed a small charter airline.

Chirac to join call for cut in German rates

BY DAVID HOUSEGO IN PARIS

MR JACQUES CHIRAC, the French Prime Minister, will add his voice to that of other Western governments in seeking a reduction in West German interest rates when he meets Chancellor Helmut Kohl in Paris next week.

The Prime Minister's spokesman said yesterday that Mr Chirac intended to raise his "desire to see to what extent the Federal Republic could envisage a modification of its interest rates so as to avoid tension. on currencies within the European Monetary System (EMS) during discussions on Tuesday. Mr Chirac and Mr Kohl will hold

their talks just two days ahead of next Thursday's scheduled meeting of the Bundesbank Council, the traditional arbiter of West German monetary policy and interest rates. a year-on-year rate of 2 per cent at
The independent Bundesbank the end of July, this means that in

has so far resisted growing pressure from the US to reduce rates, but has left the possibility open if the dollar continues to fall on the took power in March. Mr Chirac deforeign exchange markets.

lowering of US interest rates have ences between the two countries brought indirect pressure on the have emerged over a number of is-French franc. Foreign exchange dealers estimate the Bank of France has spent hundreds of milli-

At the same time the French Gov-ernment would like a lowering of tural policy. West German rates to encourage

Banca Nazionale Del Lavoro (BNL), Italy's largest commercia bank, said yesterday it will cut its prime lending rate to 13 per cent from 13.25 per cent effective September 8, Associated Press reports from Rome.

it would adjust its other lending rates downward in line with the prime rate cut.

more growth in West Germany -France's principal trading partner and to permit a further reduction in French rates. The Bank of France's intervention rate - the leading money market rate - has remained at 7¼ per cent since mid-June.

With French inflation dropping to real terms French interest rates are still above 5 per cent or at the same level they were when the Right oreign exchange markets.

Continuing inflows of capital into bring down French interest rates.

Vest Germany as a result of the Mr Chirac's talks with Chancellor West Germany as a result of the Bundesbank failure to follow the Kohl come at a time when differ-

ons of D-Marks intervening to supwith the Chancellor both the Euro

Money markets, Page 39

UK economy 'shows signs of growth'

men on again to meet growing de-mand," the Chancellor told the Scot-year to a level 8 per cent above its tish Confederation of British Industry in Glasgow last night.

MR Nigel Lawson, Chancellor of Government statistics published the Exchequer, said yesterday yesterday showed that the volume there were now some signs of re- of exports of goods in the second newed growth in the UK economy. quarter rose by nearly 3 per cent.

The UK's export performance, from the previous three months to a The UK's export performance, from the previous three months to a which suffered in the first half of level 0.25 per cent higher than in

the year as oil producing countries the same period a year earlier.

cut back on their expenditure faster "What we have experienced is than oil consumers increased merely a brief pause, and the outtheirs, has been more encouraging look for next year and beyond re-in the most recent monthly statis-tics, he said.

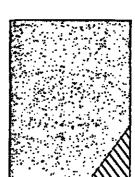
Britain had been at the bottom of

Mr Lawson warned, though, that the European growth league from the UK was losing markets to its 1973 to 1982, he said, but returned overseas competitors through failure to control pay costs adequately.

The UK National Accounts for 1985 published today in the Central Statistical Office's Blue Book," conlevels that will enable it to take firm that the country's gross domes-

Continued on Page 22

Preliminary announcement



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Worry over safety holds up Polish N-plant

CONCERN OVER safety heightened by the Chernobyl nuclear disaster is leading to significant construction delays at Poland's first nuclear power plant at Zarnowiec on the Baltic coast.

A local newspaper, the Glos Wybrzeza, has reported that doubts about the quality of domestically produced construc-tion materials are holding up work on the 1680 MW plant which is due to come on stream between December 1990 and 1994.

Work on the foundations of the reactor, which is only 10 per cent complete, has been halted since the end of July after findings by the Construction Technology Institute (ITB) that the alkali content of cement being delivered by the Malagoszcz works was too

Molagoszcz says that this is because of the raw materials it is using and implementation of the ITB recommendations without recourse to imports could put the project back by two to three years, the newspaper says. No decision has yet been taken on whether to buy the material abroad.

The newspaper foresees similar quality problems with steel, power cables and even paint for the site and argues that the whole project should be taken away from the Energy Ministry and placed under direct government super-

The delay arising from concern about quality has come on top of the normal problem which bedevil most capital investment projects in the country such as irregular and delayed deliveries of materials. Opinion on site is that the pleted on time, the newspaper The Polish authorities have

put up the price paid by industry for coal by 10 per cent in a bid to conserve the fuel. Coal plays a dominant role in energy production and export earnings.
The rise follows an increase

Hilary Barnes in Copenhagen reports on a change with worrying implications for Nato

Danish opposition backs controversial defence policy

often given Nato cause for con-cern about the size of Denmark's defence budget, and sometimes about the apparent drift of the country's defence policies, have again succeeded in raising wor-ried eyebrows among their

The cause of the trouble is the conversion of the opposition Social Democratic Party to the doctrine of non-offensive defence, defined in a paper re-leased by the party last month as fighting "in and from Danish territory." The policy contrary to present forward-defence strategies.

The party document says defence should have a non-offensive structure in order to demonstrate peaceful and non-aggressive intentions and con-tribute to "bilateral" detente.

The Social Democrats are the largest party in the nine-party Folketing (parliament) and exercise a crucial influence over defence and foreign policy issues. They can often obtain the support of centre and left-wing parties to form a majority minority administration.

The test of the party's commitment to its non-offensive defence doctrine, which has been inspired by similar discus-sions within the West German Social Democratic Party, will come next year. The persent three-year defence budget compromise between the Social Democrats and the four parties represented in the present government is then due for renegotiation.



Mr Anker Joergenson (above left) promises budget co-operation, but Fib's (above right) may still be disarmed.

the logical objection that if other Nato members were to think in the same terms of limited territorial defence, then Danish Social Democrats, assume however that other

countries will not copy their new territorial defence doctrine.
The plan relies on reinforcement by other Nato members, although with the caveat that "our reinforcement agree-ments (with other Nato countries) must not be of a threaten-ing nature." Among the practi-

Nato is sceptical of the nonoffensive defence idea for a
number of reasons, among them
the logical objection that if
the three Danish brigades from
trine, if it were to be adopted purely surveillance duties. Seaward defence would be carried
out by mobile, land-based misthe three Danish brigades from
sile batteries. the joint Danish-German command for the defence of Schleswig-Holstein, although the Social Democrats assume that the joint command would remain under the command of a Danish general.

The air force's F16 aircraft would no longer be armed with

> would be phased out and the navy would be converted to

attack sirfields in enemy terri-

The Social Democratic paper also includes proposals which in themselves will be welcome to Nato, not least a commit-ment to strengthen the defence of reception areas for incom ing reinforcements, which is one of the most serious gaps in the country's defence preparedess today.

But at the same time it seems

to imply that an aggressor will be allowed to come very close to Danish territory, or eve gain 2 foothold on it, before the Danish forces go into unwelcome to the forces from the UK and other countries which are earmarked to come to Denmark's aid.

Mr Hans Engell, the Defence Minister, who is strongly opposed to the new ideas, cannot see any advantage for Denmark in the plan. The Denmark in the plan. The Social Democrats fail to explain why they prefer fighting on Danish territory, among the civilian population, rather than to keep the fighting as far away

Denmark's defence capability Denmark's defence capability is already regarded as so inadequate by some Nato countries that it has provoked serious diplomatic warnings to the Danish territory and air space is so vital to the defence of other Nato areas, notably southern Norway and the UK, that if Denmark cannot ensure an adequate defence effort of an adequate defence effort of its own, its allies may conclude that the alternative to defending Denmark against an aggressor is to deny Denmark to the enemy without actually defending it.
Laying waste to the territory is one apparent possibility.

The non-offensive defence doctrine would not exactly strengthen Nato confidence in Danish defence. "(If carried out) it would make Denmark's much criticised position in Nato even more difficult," according

Both Nato members and Denmark's non-socialist parties return to office, will also have have been taking comfort from the pledge made by Mr Anker mark's future relationship with Joergensen, the Social Demo-

stick to its post-war commitment to working out a defence budge for the country in conjunction with the non-socialist parties, rather than with the left-centre foreign policy majority.

But there are some serious potential complications in the

way of Mr Joergensen's scenario. Many of the party's most senior members are looking to the formation of a Social Democratic-Socialist People's Party coalition after the next general election, which must take place before the end of next year.

Such an administration would undoubtedly have great diffi-culty in making a defence budget together with the non-socialist parties.

The party is also engaged in an unresolved debate over its attitude to Nato's strategy of nuclear deterrance. Denmark has renounced the deployment of nuclear weapons on its territory in time of neces. The tory in time of peace. The Social Democrats want to Social Democrats want to extend the renunciation to cover a war situation as well, preferably through the vehicle of a Nordic nuclear-free zone, implemented with the under-

As the existence of the nuclear umbrella is one of the conditions under which Denmark's allies are prepared to come to Denmark's assistance, the outcome of this debate, should the Social Democrats

EEC to probe timeshare protection

THE European Commission is to examine allegations of widespread fraud in the booming timeshare holiday vills and apartment property market, a British Euro-MP said vesterday. Mr Edward McMillan-Scott said EEC experts would meet next month in Brussels and that s proposal to recommend a seven-day "cooling-off" period on timeshare transactions in order to protect purchasers would be among the sugges-tions reviewed.

The timeshare industry has grown fast in Spain, as well as in Portugal and in Greece, and Mr McMillan-Scott said he had received numerous complaints of fraud. The concern over phoney sales had already prompted six large British companies (Wimpey, Barratt, Kenning Atlantic, McInerney and Aspect Leisure Langdale developers watchdog committee to combat fraud.

Mr McMillan-Scott this year led a campaign to protect freehold purchasers of holiday and retirement homes. He centred his investigations in Spain where there are some 50,000 non-Spanish property purchasers a year, half of them British. One in 10 of the trans-actions are alleged to be fraudulent.
The bulk of the fraudulent

companies are not Spanish. The most common fraud involves worthless property deeds.

FINANCIAL TUMES

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E. Germany to let private cars operate as taxis

BY LESLIE COLITT IN BERLIN

EAST GERMANY is to allow private car owners to use their vehicles as taxis in order to combat a severe taxi shortage, and to squash a thriving black market in private taxi services. The private taxis are to charge the same fares as state ones and will operate "on behalf" on the state taxi company according to the East German Legal Gazette.

East Germany in recent years The private sectors share was has begun to allow a revival of 1.5 per cent in industry and private enterprise in the retail agriculture. of 20 per cent at the beginning of the year but still leaves the central budget subsidising a climinated as in most other East fifth of the average output cost of 5,000 zlotys (£17) a tonne.

The number of self-employed craftsmen in Hungary increased 41 per cent to 42,000 while self-employed shopkeepers more of 5,000 zlotys (£17) a tonne.

new private butchers, bakers and repair shops with a two-year tax holiday and low interest loans for equipment and machinery. The Government last year licensed 15,000 private

Hungary recently released figures showing that the share of private ownership in produc-tion rose from 1.7 per cent to 3 per cent in the last five years.

Lake Lugano radioactivity

By Alan Friedman in Rome

SENIOR OFFICIALS from the government of Italy's Lombardy region fly to Rome today for urgent meetings which follow reports from Switzerland that dangerous levels of radioactive cesium 137 have been found in Lake

Although most of Lake Lugano lies within the Swiss border, part of the lake runs into the Lombardy region as on Wednesday banned fishing and issued health warnings after finding unusually high levels of radioactivity in Lake

Spain may revise inflation target

BY DAYID WHITE IN MADRID

THE SPANISH Government may have to revise its 4 per cent inflation target for next year in order to gain union backing for an inflation-linked wage moderation package. Union pressure to adopt a higher guideline figure came to

the fore as the Government completed a preliminary round of talks with industry and labour leaders, Mr Carlos Solchaga, the economy Minster, held a meeting yesterday with Mr Marcelino Camacho, the Communist leader of the Workers' Commissions. This union stayed out of the last two-year

labour pact, leaving the Socialist-led UGT as the only

union signatory.

The tripartite agreement, in separate meetings with the which set wage objectives in UGT and the CEOE employers' exchange for public investment organisation. Exploratory conpledges and other employmentboosting measures, expires in Negotiations on a new agree-

ment seem likely to be held up because of the rivalry between the two big labour federations, pitched into battle in elections at the end of the year for 300,000 union delegates in Spanish companies. Four years ago, the UGT scored a narrow advantage over the Workers' Commissions for the first time. On Wednesday the Government—including its new Labour Minister, Mr Manuel Chaves, previously a senior UGT figure —discussed its economic plans exchange for a cut in employers' social security contributions. However, the UGT now says the inflation target is unrealistic. The Government originally aimed to hold inflation at 8 per cent this year and to halve it in 1986, but the rate is now running at over 9 per cent.

The CEOE, on the other hand, regards 4 per cent as a maximum for Spanish competitivity the two big labour federations.

organisation. Exploratory con-tacts with both these bodies during the summer appeared to point to the basis of an agreement, with wage increases for 1986 set at around 5 per cent slightly above inflation — in exchange for a cut in employers'

tion at 8 per cent this year and to halve it in 1986, but the rate is now running at over

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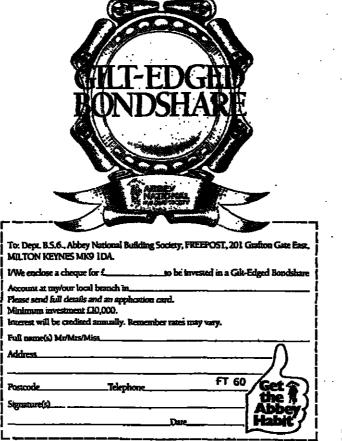
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Appointments on Wednesday?

From Wednesday, September 10, the General Appointments section will appear on Wednesdays.

Accountancy Appointments will continue to appear every Thursday as usual.

The reorganisation of the Appointments Pages will enable the Financial Times to offer a substantially improved service to recruitment advertisers and their audience.

Copy deadlines for the Appointments pages are 3 p.m. on the Friday of the week preceding publication for Wednesday and remain unchanged for publication on Thursday.

For more information contact—

Louise Hunter on 01-248 8000, extension 3588 Jane Liversidge on 01-248 8000, extension 4177 or Daniel Berry on 01-248 8000, extension 3456

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Refugee flood may mean Basic Law change. Peter Bruce reports

Asylum issue raises hackles in Bonn

Probe

ASYluin

FIERCE fighting has broken out within the West German out within the West German of Chancellor Heimut Kohl—over whether to tamper with the constitution in the world refugees to the world refugees to the constitution in the constit

The number of people seek-ing refuge in West Germany has risen alarmingly this year and only last week Mr Kohl made public a series of measures, including tighter visa controls and threats to fine airlines which transport refugees who did not have proper papers, designed to curb the influx. He made it clear then that he wanted a political debate about the refugees, which had boiled throughout the summer, to

But hardly had the Chancellor stopped speaking when senior right-wing politicians in his Christian Democratic Union (CDU) party began to insist, loudly, that the party should make the asylum issue, and a change in German Basic Law, central to its platform as it approaches next January's general election.

THE CDU and its Bavarian sister party, the Christian Social Union (CSU), have now included a change in the constitution in the draft of their com-bined election programme. The announcement earlier this week by the Interior Ministry that the number of asylum seekers reached a record 14,812 in August, 50 per cent more than in July, has only served to harden the CDU right. The CSU, led by the bellicose Mr

Black Sea

toll rises

Nakhimow was carrying 1,234 peo-ple on a Black Sea cruise when it

was rammed by the bulk carrier

Pyotr Vasev off the port of Novoros-



Mr Kohl (left) and Mr Strauss: two-thirds majority needed. First, meddling with the

Franz Josef Strauss, has been insisting for months that the Basic Law (drawn up in 1949 and, in effect, the constitution) Basic Law would be a major undertaking that would require a two-thirds majority in the Bundestag. He does not have such a majority and fighting for be tightened up.

All a refugee has to do now to receive sympathetic treatment in West Germany is to demand asylum from a Government official. Originally, this was official. Originally, this was meant to make it easy for East Germans to defect. But the prospect of more than 100.000 Pakistanis, Ghanaians, Iranians and Lebanese arriving to stay in the country this year has angered many communities where they are being billeted. These also come as manua from It has also come as manna from heaven to conservative politicians.

Mr Kohl, whose reluctance to change the Basic Law is sup-ported by important CDU leaders like Mr Eberhard Diepgen, the mayor of West Berlin, faces four immediate difficulties: at the polls in January.

Refugees, and enthusiastically painted horror pictures of blacks swarming over neat German villages, are almost certain to win votes for the party that promises to stop it. The opposition SPD, whose economic programmes would almost certainly mean a return almost certainly mean a return to inflation, already has a serious vote-winner of its own
— a hugely popular promise to
wean the country off nuclear energy in 10 years. Although it is a convention in

Bonn now to predict victory for Mr Kohl, it would be far too dangerous for him to go into the election with his own party at odds and, much more public-ally, with his two coalition partners, the FDP and the CSU, at each other's throats.

The CDU executive meets today to discuss the draft election programme, which then goes to a full convention in Mainz in October. So strong is such a majority and fighting for one could make him look silly. Second, the change lays Germany open to charges of racism, about which Bonn is understandably sensitive. Third, the powerful Evangelical churches are opposed. Fourth, feeling within the CDU now that it is thought unlikely the Chancellor will even try to remove the motion calling for a change in the Basic Law. his other coalition partners, the Free Democrats (FDP), are vehemently opposed to a change in Basic Law, and they, for the More likely, said one CDU politician yesterday, the motion would be allowed but that it would be left to the CSU, which campaigns only in Bavaria, to push it during electioneering. That would still leave the Government open to charges that the FDP opposes important Government policy proposals but Mr Kohl's reckoning is pro-Government's success with the economy during the last three and a half years it is not enough to guarantee it success purpose.

Swedish Nex plans to change

SOVIET authorities have arrested THE CONTROVERSIAL Nypaes the captains of a passenger liner and a cargo ship which collided in energy chemicals complex (Nex) project which was meant to make the Black Sea on Sunday night, the Government newspaper Izvestia said yesterday, Reuter reports from The arrests came as a senior ery scheme, has been told to change

Communist Party official an-nounced that the confirmed death mission to operate.

The Swedish franchising board toll in the collision had risen to 116. will only give Nex the go-ahead if it chemicals complex just south of introduces measures to generate Stockholm. It had previously stood at 79, while 282 people are still missing. The eventual death toll will alelectricity for the urban grid and most certainly rise to 398, a mer-chant marine official said. cuts sulphur emission to below 3mg per megajoule - well below the ex-The 17,053 tonne imer Admiral

The stipulations reflect Sweden's and its quest for alternative sources of energy because nuclear power is be phased out by the year 2010.

Under the new plan, Nex will only by the year 2010.

monia, mostiv in the contraction of the phased out by the year 2010. concern over environmental issues

Under the original plan an months, and will switch to produc-ounced last August, four compa-ing electricity in the winter months.

present, have the Justice port-

folio in the Cabinet. He is also aware, though, that

his right wingers and the CSU are making a serious point

about the politics of the up-coming election. Despite his

nounced last August, four compa-nies - AGA (the Swedish industrial Sweden self-sufficient in ammonia gas group); À Johnson (the private-production as well as supplying half ly owned Swedish trading and industrial group); Investeringsbanken (the state-owned Swedish investof Stockholm's annual heating consumption through a new heat recovment bank); and Superfos (the Danits original plans in order to get per-mission to operate. ish fertilisers, chemicals and con-struction materials group) – agreed to build the SKr 3.5bn (\$510m)

> The plant was scheduled to start operating in 1989 and produce about 450,000 tons of ammonia a year, with Superfos buying about 90 per cent of this for its fertilisers

The management says that Nex can generate about 40 per cent of the energy of one nuclear power unit.

The announcement to adapt Nex's plans coincides with news that Superios has pulled out of the project, citing depressed ammonium prices as the main reason.

According to the original plan, Superios would have assumed a 20 per cent ownership stake in the complex with an option on an additional 10 per cent. The remaining fos's share in the project.

Superios says that it rushed into the agreement in principle without fully considering the technical and nomic factors involved

OVERSEAS NEWS

Malaysian Chinese party's new leader

By Wong Sulong

MR LING LIONG SIK, 43, a medical doctor, has taken over the presidency of the faction-torn Malaysian Chinese Association, the largest Chinese political party in Malaysia, from Mr Tan Koon Swan who resigned after he was jailed by a Singapore

The MCA central committee which accepted his resignation has also promoted Mr Lee Kim Sei as the party's deputy presi-

Mr Ling, Mr Lee and Mr Chan Siang San are MCA representa-tives in the 24-member Malaysian Cabinet. Mr Tan, who had been MCA

president for only nine months, was given a two-year jail sen-tence by the Singapore High Court last week for his part in stock market manipulation which led to the collapse of Panwhich led to the collapse of Pan-Electric Industries, the Singa-pore salvage, property and hotel group, last December.

Observers say the new MCA leaders will find it tough going as they lead the demoralised and fi-nancially indebted (as a result of the many control of leating)

the recent general elections) MCA into the Malaysian coalition Government, now dominat-ed by the United Malays National Organisation of Dr Mahathir ned. Prime Minister.

Mr Ling could also face prob-lems in confirming his leadership at the MCA party elections next year because he lacks grassroot support. This is aggravated by his English-educated back-ground, when the bulk of the party's membership is Mandar-

Meanwhile, Miss Penny Chang, Mr Tan's wife, and Mr Loong Yoke Pin, a close business associate, have taken over the management of Grand United Holdings and Supreme Corpora-tion, two publicly listed compa-nies controlled by Mr Tan.

Mr Loong, who was one of the three businessmen who put up the \$\$40m (\$20m) bail for Mr Tan during his recent trial, has been appointed GUH executive chairman, while Miss Chang was ap-pointed Supreme's managing di-rector. Trading in the two companies has been suspend the Pan-Electric crisis.

US tries to remove bars to Israel-Egypt summit

US OFFICIALS are engaged in frantic efforts to bridge differences between Egypt and Israel over a territorial dispute in the Sinai so that the leaders forward the Taba disput of the two countries can hold international arbitration. their proposed summit next

Mr Richard Murphy, the US special envoy to the Middle East, was yesterday in Alexandria for talks with Egyptian officials, including Mr Esmat Abdel Meguid, the Foreign Minister. He was also scheduled to meet President Hoshi Mubarak.

Mr David Kimche, director-general of the Israeli Foreign Ministry, travelled yesterday to Alexandria from Cairo for talks with Mr Murphy to try to over-come barriers holding up final agreement to refer the dispute

president, has 1 peatedly said

If the two saides fail to overcome their differences before time runs out for a meeting, the failure will mark a serious set-back for US diplomatic efforts in the region. US officials have been playing

c omerals have been playing a broker's role from the start in the Taba negotiations. US Middle East policy is firmly attached to securing better Egyptian-Israeli relations—virtually frozen since Israel's invasion of Lebanon in 1982.

invasion of Lebanon in 1982.

If the summit does not take place by the second half of September, its chances of happening at all will be all the agenda.

The Washington meeting should give Mr Peres a much-needed boost before the transiland on the two countries'
Sinal border, to international arbitration.

Sinal border, to international arbitration.

September, its chances of nappendix pening at all will be slim.

Mr Shimon Peres, Israel's Prime Minister and leader of the Labour Party, is due to hand

Mr Hosni Mubarak, Egypt's over the premiership to Mr president, has 1, peatedly said Yitzhak Shamir of the rival there will be no summit unless Likud faction in mid-October there is complete agreement to under a 1984 rotation agree-forward the Taba dispute to ment which followed a deadment which followed a dead-locked election. Labour and Likud are the main elements of Israel's so-called "National Unity" Government.

Our Foreign Staff adds: Mr Peres was yesterday invited to meet President Ronald Reagan in the White House on Septem ber 15, one month before the hand-over to Mr Shamir.

It is expected that attempts to convene an international peace conference, including Jordan and an as yet undetermined Palestinian delegation

tion if plans for a summit between him and Mr Mubarak next week do not come to fruition.

Gadaffi rounds on summit delegates in Harare BY VICTOR MALLET IN HARARE

terday, accusing some of the movement's 101 members of being spies, puppets and traitors linked to Israel and the US. Several delegates smiled and adolescence.'
laughed, but Col. Gadaffi's com-

ments have, at least temporarily, undermined the movements credibility and shifted attention from the crisis in southern Africa. Flanked by four women bodyguards in battle fatigues, who
periodically chanted "down,
down US" and "Allah is great."

Col. Gadaffi harangued the
assembled Third World heads
of state and called the room.

of state and called the non-aligned group a "funny move-ment" and an "international farce." Non-alignment was not possible, he said, in world divided

between liberators and imperialists. Asked later if he would withdraw from the movement, he said: "Not yet." Zaire, Cameroon, and Ivory

Coast by name.

COL. MUAMMAR GADAFFI, expressing profound indignation the Libyan leader, injected a at his "senseless" speech, note of farce into the Non-Egypt's delegation said Col Aligned summit in Harare yes-Gadaffi's address was "nothing at his "senseless" speech. Egypt's delegation said Col Gadaffi's address was "nothing more than a comedy staged by a mentally-disturbed head of state who lives in a state of political backwardness and

> Mr Robert Mugabe, Prime Minister of Zimbabwe and the new leader of the Non-Aligned Movement, sat pensively during the speech before rebuking Col Gadaffi. "Not all of us agree

ing all his country's military depots and camps to revolutionary groups throughout the world, and would establish a huge international army.
"I shall spread the troops of

these forces all over the continents of the world so as to spread fire under the feet of America," be said. In an often contradictory

speech interspersed with whim-sical smiles. Col Gadati called "In this hall, there are pup-pets and there are spies," Col. sical smiles. Col Gadassi called Gadassi said, attacking Egypt. for the movement's abolition and said the statements of the The Three African states imbe thrown in the dustbin and mediately condemned Gadaffi, ignored by the two superpowers.

Moscow makes complaint over freighter By Our Foreign Staff

THE Soviet Union has protested to Tehran over the boarding of 11,750-ton freighter Pyotr Yemt-sov, but the issue will soon be closed, according to a Foreign Ministry spokesman in Moscow.

"We lodged a formal protest
because this was a violation of
navigation laws but now the question is almost closed, Mr Gennady Gerasimov said yesterday. He said that engine fai-lure had prevented the ship from proceeding to Kuwait Earlier in Tehran, a senior Iranian Navy official said that the vessel, which was stopped two days ago for carp, inspec-

two days ago for cargo inspec-tion, would be free to proceed. It was diverted to the port of Bandar Abbas. Shipping executives Bahrain were quoted by Asso-ciated Press as saying that the vessel was being unloaded on

Wednesday. Whatever the cargo, both countries appear anxious not to make an issue of the incident or jeopardise the recent improve-ment in their relations.

The vessel was suspected of carrying war-related goods for Iraq, according to the official Islamic Republic News Agency. It did not report that any were found.

tivsk, sinking soon afterwards.

THANKS TO THOMSON-CSF LEADING-EDGE ELECTRONICS. THE LATEST **SLIMMED-DOWN AIRBUS CUTS** THE KILOS.

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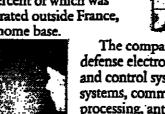
a major contribution-not only enable the A 320 to zoom ahead of its rivals. By appreciably reducing the aircraft's weight, they improve its ability to turn a profit.



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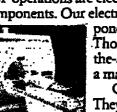
The company's core business is defense electronics: avionics, defense and control systems, weapons systems, communications and data processing, antisubmarine warfare systems and training simulators.

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Registration No. 05/09084/08

INTERIM REPORT AND DIVIDEND

The unaudited consolidated results and abridged balance sheet of the company for the six months ended

August 31 1986 are as follows:			
Consolidated income statement	Six months ended 31.8.86	Six months ended 31,8.85	Year ended 28.2.86
Investment incomeinterest earned	175. <u>4</u> 6.4	149.2 8.4	340.1 16.5
	181.8	157.6	356.6
Administration and other expenses	3.9 8.2	2.8 5.2	4.4 11.2
Net income before taxation	12.1 169.7 1.2	8.0 149.6 2.7	15.6 341.0 4.5
Net income after taxation	168.5 153.7	146.9 137.2	336.5 318.3
Retained earnings	14.8	9.7	18.2
Unappropriated earnings, February 28 1986	13.8 0.1	5.6	5.6
	13.9	<u> 5.6</u>	5.6
Transfer to general reserve	28.7	15.3	23.8 10.0
Unappropriated earnings, August 31 1986	28.7	15.3	13.8
Earniage per share—cents	768	669	1 533
—Interim	700 —	625	625 825
Consolidated balance sheet (R millen)	31.8.86	31.8.85	28.2,86
Shareholders' equity Share capital	22.0 32.1 295.7	22.0 32.1 272.3	22.0 32.1 280.8
	349.8	326.4	334.9
Represented by: Listed investments Unlisted investments Loans and mineral rights	289.8 5.5 42.7	281.4 5.5 23.2	281.4 5.5 25.3
	338.9	310.1	312.2
Current assets Debtors Cash on fixed deposit and at call	68.4 115.3 183.7	51.0 103.6 154.6	84.8 120.3 205.1
Current Habilities Shareholders for dividend No. 77 Short term loans	153.7 16.7	137.2	181.1
Creditors	171.9	138.3	13
Net current assets	11.8	16.3 326.4	22.7 334.9
The market and directors' values of investments are: Listed—market value Unlisted—directors' valuation	6 815.9 213.4	4 081.1 107.5	4 705.8 102.0
	7 029.3	4 188.6	4807.8
Number of shares in issue (000)	21 952 32 269	21 952 19 281	21 952 22 121
POP SIERTO PARIORI DE LA CONTRACTORIO DELICA DE LA CONTRACTORIO DE LA CONTRACTORIO DE LA CONTRACTORIO			

Earnings were 15 per cent higher at 768 cents per share, and an increased interim dividend of 700 cents per share

has been declared (1985; 635 cents).

The increased dividends received on the group's investments in the gold mining industry largely reflect the higher proceeds, in rand terms, of gold sales in the first half of 1986, offiset to some extent by lower gold production and increased mining costs and capital expenditure. During that period the average dollar price of gold rose by 11 per cent to 5343 per ounce, compared with \$310 in the first half of 1985. The rand prices, however, increased by 22 per cent, from R622 to R758 per ounce, the currency having continued to weaken against the dollar.

The results for the second half of the financial year will depend largely on the rand gold price prevailing during the second half of the 1986 calendar year. In the first two months of this period the price has averaged \$348 per ounce for July and \$376 per ounce for August 1986, equivalent to R890 and R979, respectively, the dollar price having risen recently from fluctuating around \$340 per ounce to around \$380 per ounce. In the first few days of September the price has risen to above \$400 per ounce but with the rand strengthening the current rand price is now around R950.

For and on behalf of the board J. OGILVIE THOMPSON Directors G. W. H. REILY

INTERIM DIVIDEND

On Thursday September 4 1986 dividend No. 77 of 700 cents per share (1985: 625 cents) being the interim dividend for the year ending February 28 1987 was declared payable on Tuesday November 4 1986 to shareholders registered in the books of the company at the close of business on Friday September 28 1986 and to persons presenting coupon No. 77 marked "South Africa" detached from share warrants to bearer.

The transfer registers and registers of members will be closed from Saturday September 27 to Saturday October 11 1986, both days inclusive, and warrants will be posted from the Johannesburg and United Kingdom offices of the transfer secretaries on or about Monday November 3 1986. Registered shareholders paid from the United Kingdom will receive the United Kingdom currency equivalent on Monday September 29 1986 of the rand value of their dividends (less appropriate taxes). Any such shareholders may, however, elect to be paid in South African currency, provided that the request is received at the offices of the company's transfer secretaries on or before Friday September 26 1986.

The effective rate of non-resident shareholders' tax is 14.8417 per cent. The dividend is payable subject to conditions which can be inspected at the Head and London offices of the company and at the offices of the company's transfer secretaries, Consolidated Share Registrars Limited, 1st Floor, Edura, 40 Commissioner Street, Johannesburg 2001 (PO Box 61051, Marshalltown 2107), and Hill Samuel Registrars Limited, 6 Greencoat Place, London SWIP 1PL.

Holders of share warrants to bearer are notified that the dividend is payable on or after Tuesday November 4 1986 upon presentation of coupon No. 77 (marked "South Africa") only at the offices of Barclays National Bank Limited, Stock Exchange Branch, Diagonal Street, Johannesburg 2001, South Africa—Union Bank of Switzerland, Bahnhofstrasse 45, 8021 Zurich, Switzerland—Credit du Nord, 6 and 8 Boulevard Haussmann, 75009 Paris, France and Banque Bruxelles Lambert, 24 Avenue Marnix, 1050 Brussels, Belgium. Coupons must be left at least four clear days for examination.

for examination.

Proceeds of dividends in respect of coupons marked "South Africa" may at the request of the depositors, be converted through an authorised dealer in exchange in the Republic of South Africa, into any currency. The effective rate of exchange for conversion into any such currency will be that prevailing at the time the proceeds of the dividends are deposited with the authorised dealer in exchange.

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SOUTH AFRICA

Emergency law sections quashed

BY ANTHONY ROBINSON IN JOHANNESBURG

Supreme Court declared invalid sections of the emergency laws which empowered the Minister of Law and Order to seize or close any publication containing what he considered a subversive what he considered a subversive clauses of the emergency regulations. Darticularly section 10 gency."

statement.

Ruling on an application (b), which made it illegal for In its guage more strains lan-

THE RATTLE for press freedom in South Africa was taken a step further yesterday when a full bench of the Natal Supreme Court declared invalid sections of the emergency laws the modes and a suprementation of the control of the suprementations of the emergency laws the modes and the powers contained in a wise to the galaxy of any other matter to the regulations of the regulations of the control of the suprementation of the suprementation of the control of the suprementation of the

Ruling on an application (b), which made it illegal for any news organisation to "postained: "This meant that the guage press groups last month challenging the validity of sections seven to 12 of the June 12 emergency regulations, the Natal court declared regulations seven (1) (d), 10 (b) and the whole of the court maintended for himself that the count maintended for t

Natal court declared regulations seven (1) (d), 10 (b) and the whole of sections 11 and 12 which allowed the minister to the invalid. The newspapers submitted that all the regulations were unreasonable and exceeded the State President's powers umder the 1953 Public Safety Act, since they could never have been intended by parliament.

The South African legal system works under the English principle of the Sovereignty of parliament. This latest chal-

Police headquarters in Pre-toria indicated that the restric-tions, which replace those withdrawn two weeks ago introduced by a telex message

only, remain in effect. But a lawyer-specialising in newspaper law, who was involved in the Pettermaritzburg case said last night that section three (1) of the regulations, which bans media presence at unrests and reporting on actions of the security forces, appeared to have been deprived from the to mave been departed from the powers included in section seven (1) (d), which has just been declared invalid, and could therefore itself be invalid.

The new restrictions, which place blanket curbs on the reporting of unrest or the actions of the security forces, are even tighter than the original restrictions introduced on June 16 in tions introduced on June 16 in telex form and ban all media personnel from being "on the scene, or at a place within sight, of any unrest, restricted gather-

Customers' attitudes are worrying Pretoria, reports Jim Jones

Sanctions-busters not so sanguine

worry within the South African Government about the gradually tightening sanctions noose. Pre-toria's ability to heat sanctions is probably more dependent on the agreement of the customer than on South African traders' ability to hide the provenance of the goods they sell.

Five weeks ago, for instance, Japan effectively halted imports of citrus fruits from South Africa by refusing to allow Japanese health inspectors to be stationed in warehouses in the Republic to check on fruit fly eradication procedures. Traders were particularly worried about this incident bec Pacific rim countries are increasingly important markets for South African products.

Traders who learned their sanctions-busting skills in the years of the Smith Government in what was then Rhodesia, are past masters at getting South African goods into African countries. Frequently they resort to ambiguous labelling, an old trick in the senctions-beating repertoire, particularly markets in antagonistic countries north of the Limpopo River.

South Africa has no officially disclosed strategy for beating sanctions. It has, however, appointed Dr Marc Burger to the Department of Foreign Affairs specifically to develop counter-sanctions strategies.

That seems to have stiffened Mr Mugabe's stance on sanctions, but probably does not worry the South Africans who seem to believe that Zambia is the weakest link in the prosanctions chain. In July, Mr Fred Bell, who led the development of the state-owned armaments company Armscor into South Africa's most successful sanctions-beating operation, was appointed to a top-secret Government post to en-ordinate the country's sanctions-beating offensive.

Three weeks ago Mr Dawie de Villers, the Trade Minister, amounced planned legislation which would prevent private sector companies from disclosing trade-sensitive information. Government statistics for instance, no longer itemise trade with South Korea.

trade with South Korea.

Last year the Government appointed a committee to advise on unconventional trading options, but has not disclosed any of the committee's recommendations. Nor will a casual inquirer receive much help from Safto (the South African Fereign Trade Organisation), the private sector group which provides export advice. provides export advice.

Despite the secrecy, it is

clear that sanctions-beating efforts will be directed in four ways: pressure, subterfuge, local manufacture and economic incentives. They have all been used to some extent in the past two decades, and need only to be gingered up. Applying pressure to neigh-

WHEN Mr Pik Botha, the South
African Foreign Minister met
his Japanese counterpart Mr
Tadashi Kuranari in Tokyo yesterday—he pulled out all the
stops in an effort to persuade
Japan not to join other countries
in imposing sanctions.

Mr Botha's trip, which will
also include Taiwan and South
Korea, underlines the growing
worry within the South African
Government about the gradually
tightening sanctions is sanctions is
bouring states is comparatively
easy for South Africa, the
implication is clear; if Zambia
drops her calls for sanctions,
drops her calls for sanctions,
South Africa will drop the
deposit rule.

Countries such as Australia
Countries such as Australia
South African coal exporters ext foreign trade shipments, were
both given a taste of their
neighbour's ability to disrupt
their trade last month, when
South African coal is distinctive and
South African coal is distinctive and
cannot be sold as coming from
classed examinations of crossdetailed examinations of cross-

detailed examinations of cross-border consignments, The South Africans disingenuously insisted that the delays were not retaliation for calls for Commonwealth sanctions, but the inevitable con-sequence of a brief "statistical

cheaper to produce than coal from most other countries, however, providing considerable lee-

The stick of economic pressure is more than counter-balanced by the carrot of

Traders in South Africa are expert at avoiding sanctions, but only if importers are keen to receive their goods

President P. W. Botha recently set out to embarrass Zimbabwe by disclosing comparatively trivial details of a renewed trade pact between the two countries which the Zimbabwe by countries which the Zimbabwe by countries which the Zimbabwe by disclosing comparatively trivial details of a renewed trade pact between the two countries which the Zimbabwe by countries which could be countries which the Zimbabwe by countries which the Zimbabwe countries w babweans had hoped would remain private until after the Non-Aligned conference.

That seems to have stiffened sanctions chain.

Goods destined for Zambia are not being cleared through South African ports unless a 25 per cent deposit has been paid, which is refunded once the South Africans receive

involving maize and other pro-duce. Semi-processed sisal is imported from Tanzania under manufacturer has set up a finishsimilar arrangements.

documentation proving the domestic electronics industry weeks goods have been accepted into with state contracts and cheap South Zambia. This can take as long state loans to locally-controlled The p as three months, a delay which the cash - stripped Zambian abling them to finance stocks were

Ciskei." Most anti-spartheid New Yorkers are probably not aware that Ciskei is one of South Africa's black homelands.

That is legitimate. Less honest, however, is the attitude of canned fruit producers in the western Cape, who are prepared to put any label of origin on the cans. Some traders claim, that the Lore of the claim that the logo of the Zimbawean Iron and Steel Corporation is now carried by steel exported by Iscor, South Africa's state-owned steelmaker.

An alternative being explored by South African exporters is to open businesses in neighbourng countries. A South African drug company has managed a plant which packages South African medical products in Swaziland for export to African narkets for more than 15 years. Last month an official delega-

manufacturer has set up a finishing operation in England.

south Africa has regularly bought and stockpiled crude oil through the embargo years. It is felt now that oil is likely to several years, and producing countries will be only too happy to deliver to South Africa whilst demand is weak elsewhere.

The Government has in contrast nurtured the local armaments and synthetic fuel industries. It has stimulated the domestic electronics industry with state contracts and cheap state loans to locally-controlled companies such as Altech, enabling them to finance stocks

Opposition retains Cape Town seats

BY ANTHONY ROBINSON IN JOHANNESBURG

THE WHITE opposition Progrestive Federal Party (PFP) retained two safe Cape Town seats in Wednesday's hy-election, which was marked by voter apathy and a low poll. The ruling National Party did not contest the elections, leaving the field to the New Republic Party (NRP), rump of the old United Party of General Smuta.

Its candidate lost his deposit in the Claremont constituency vacated by former PFP leader Dr Frederick van Zyl Slabbert, who was returned unopposed in the 1981 general elections.

The NRP also lost ground

where the PFP candidate, Mr Jan van Eck, ene of the party's more radical members, increased his majority in a turnout of only 22 per cent. Mrs Helen Suzman (pictured right), the party's law and order spokesman, castigated the low poll as "shecking in a country where most people do not have the vote." On September 17 the ruling National Party faces a test of its electoral support when it competes with a right-wing Herstigte Nasionale Farty candidate in the Klips River constituency, also in the Comp



More banks to cut prime lending rates

STANDARD BANK and Trust Bank of Africa said yesterday that they will follow the lead of Barclays National Bank and reduce their prime lending rates by half a percentage point to 13.5 per cent from 14 per cent later this month, AP-DJ writes

rom Johannesburg.
Trust Bank said its cut will be effective from September 24 and Standard Bank said it will lower its rate the following day. Two other major South African banks, Nedbank Group and Volkakas Group have not yet decided to alter their prime lending rates.

The move to lower the prime

lending rates follows an announcement earlier that the South African Reserve Bank will reduce its base discount rates

Europe urged to shun sanctions

also in the Cape.

BY CHRISTIAN TYLER, TRADE EDITOR

SOUTH AFRICAN mining executives are touring European capitals in a bid to prevent the EEC foreign ministers will country's second most important export commodity after gold, in any package of economic sanctions against apartheid.

Sanctions would lead to wide-spread unemployment and starvation among South African blacks, according to Mr Allen Cook, a director of Rand Mines. "They would also hurt us who have been in the forefront of promoting change," he said in London yesterday.

He was speaking after the deputation had conveyed a similar warning to Mrs Lynda Chalker, a junior Foreign office minister, and officials of the Department of Trade. The

formal decision is due by the end of the month. South African colliery owners

are worried not just about their EEC market, which takes 24m tonnes of the 40m tonnes of their total steam coal exports. They fear that sanctions by the US and EEC together would force the Japanese, their next largest customer, to follow suit. Mr Pik Botha, South Africa's

He said it would be difficult to find new markets for such large quantities of coal in the event of sanctions. Last year coal exports were worth R3.1bn (2864.2m), over 60 per cent of the total foreign sales by value. He was speaking at a Press

conference called by the British Industries Committee on South Africa a new pressure group of UK companies with assets in Mr Pik Botha, South Atrica's foreign minister, is visiting Japan, Taiwan and South Korea, in the hope of safeguarding his country's main sales outlets in they would fail to bring political reform.

Speakes warns of damage to **US-Soviet links**

THE REAGAN Administration arms officials are scheduled to has issued a public warning that failure by Moscow to release Mr Nicholas Daniloff, the American journalist accused by the KGB of spying, could have a "negative effect" on US-Soviet relations.

The REAGAN Administration arms officials are scheduled to begin two days of talks on arms control in an effort to move the arms control negoticals of spying, could have a build-up to a possible summit.

On Wednesday, US officials

uashe

"negative effect" on US-Soviet relations.

The warning, issued by Mr Larry Speakes, White House spokesman, came as Administration officials disclosed that Washington had proposed releasing into the custody of the Soviet Ambassador in Washington Mr Gennadi Zakharov, a Soviet citizen held on espionage charges in New York. This would be done provided Mr Daniloff were released and returned to the US.

In Moscow Soviet officials yesterday said they had not received formal notice of the US proposal, which US officials said on Wednesday had been proposed to the Soviet Embassy in Washington in recent days.

The US has been seeking to ease the tension surrounding the arrest of Mr Daniloff. Officials have been making it clear they want to prevent the dispute from obstructing continuing negotiations between weekly news magazine, on what Mr Speakes described as trumped up charges. Officials began to warn that unless the situation were resolved it could,

Patrick Cockburn in Moscow adds: There is growing confu-sion over the contents of an envelope which Mr Daniloff had in his possession when arrested and which the Soviet author-tes say show he was spying.

dispute from obstructing con-tinuing negotiations between the two superpowers ahead of a planned meeting between Mr George Schultz, US Secretary of State, and Mr Eduard Shevardnadze, Soviet Foreign Minister, on September 19-20. That meeting is seen as crucial if progress is to be made towards a second summit between President Reagan and Soviet leader Mikhail Gorba-

security police claimed the photographs were marked sec-ret, but said he could not see Yesterday US-Soviet talks on controlling nuclear tests re-sumed in Geneva and today maps were found by the KGR.

US blocks **Oxfam** farm aid to Nicaragua

THE US Government is blocking a private relief agency from sending farm tools and other supplies to Nicaragua. AP reports from Washington. The Reagan Administration refused an application from Oxfam America, a Boston unit of the UK-based relief agency, to ship to Nicaragna \$41,000 worth of donated and purchased supplies, an Oxfam official said. On Wednesday, US officials did not try to mask their growing impatience with Mos-cow's decision to arrest Mr Daniloff, a reporter with US News and World Report, a

Supplies were said to include rakes, seeds, shovels, agricultural books, wrenches, chain saws, hammers and water pipes. Mr John Hammock, Oxfam executive director, said the shipment to two non-government agencies in Nicaragua was intended to alleviate food shor-tages in the war-torn Central American country which has been the target of a US trade embargo for more than a year. "We are dealing with the politics of hunger," said Mr Hammock. "This is a clear example of the Government playing politics with the poor

tes say show he was spying.

The envelope, handed to Mr Daniloff by a friend from Kirgizia in central Asia, before his arrest, was opened in his presence in prison. On Sunday he was reported to have told his wife it contained two maps marked "secret" and photographs of military facilities.

Mr Mortimer Zuckerman, the chairman of US News and World Report, who saw Mr Daniloff on Tuesday, said the eveloped contained photographs identical to some sent a year ago by Mr Daniloff's friend to the magazine for an article on Soviet troops in Afghanistan.

Mr Daniloff said the KGB security police claimed the Although the trade embargo permits shipments to Mcaragua to relieve human suffering the Administration's denial, dated August 26, said Oxfam's supplies were rejected because "such transactions are inconsistent with current US foreign policy."

Nancy Dunne reports on the struggle for survival by the beleaguered space agency

Nasa at turning point as funds are reduced

SEVEN MONTHS after the horrifying deaths of seven astronauts aboard the space shuttle Challenger, the National Aeronautics and Space Administration (Nasa) is engaged in a struggle for its own existence.

The once-proud agency which put man on the moon, is at a turning point. Space experts say that either it gets the resources and responsibilities it needs to reassert its command of the space programme, or it is doomed to decline. Its important functions would be parcelled out to the Pentagon, private industry and the National Academy of Sciences.

President Ronald Reagan has consistently praised Nasa and publicly sympathised with its plight, but his Administration seems prepared to let Nasa take the downward path.

After months of indecision, the White House made public last month its plans to build a of the proposed removal of the replacement shuttle for the commercial role of Nasa's operchallenger and to phase Nasa ations." Many commercial payout of the commercial launch loads had been designed business the appouncement, so uniquely for the shuttle, they vital to America's future in said, and some consideration space, seemed almost an after-thought.

space, seemed almost an after-which made significant invest-

It brought an immediate angry response from key
Republican Senators including
Slade Gordon, chairman of the
committee overseeing Nasa
operations, and Jake Garn, the
first senator in space. The
financing plans for the new

The Democrats were not
slow to join in the criticism.
Senator Donald Riegle Jr asked
the General Accounting Office to
study the growing disparity in
funding for space activities befinancing plans for the new

The Democrats were not
slow to join in the criticism.

OIL BOILER



They also expressed concern ment in such payloads.

and Nasa. The space agency's budget, at less than \$8bn in 1987, has been virtually unchanged for years, while mili-tary space activities have been expanded, and have now reached double Nasa's budget.

Meanwhile, the Administration has rejected the recommendation of its own Space Commission to set clear long-range goals for Nasa, such as the exploration of Mars. Lacking an inspirational vision to sell its constituents. Congress has for years reduced the groups's hydrose reduced the agency's budget.

In real terms it is now getting one-third of its funding in the days before the moon shots and days before the moon shots and its once impressive stream of planetry probes has come to an end. Only the longevity of some reconaissance satellites in orbit and an overcapacity in transponders has prevented an intelligence and commercial disasters.

Dr James Fletcher, the Nasa adminstrator who was re-appointed to a second stint in the job last May, has worked hard to reinvigorate the agency. He has embarked on a respond to criticism of asa's decision-making and mmunications deficiencies. communications Investigators, task forces and advisory groups have been appointed but dissension has

funding for space activities beThe investment of \$8bn in a investigating the Challenger taxes needed for Nas
tween the Defence Department space station, pieces of which

accident. The Texas Congressin its present form.

Martin Marietta Corporation said yesterday it would lay off up to 800 workers in the next four weeks at its Louisiana zerospace operations because of delays in the space shuttle programme, Reuter reports from New Orleans. Martin Marietta Michoud Martin Marietta Michoud
Acrospace, which makes the
orange fuel tanks for the
shuttle, said the National
Acronautics and Space
Administration has 15 tanks
on hand and will not need
them until shuttle flights
resume in 1988.

aboard shuttles in 1992, came under fire from Mr Gordon Fullerton, a veteran shuttle astronaut, who said the station is poorly designed, too complex and lacking emergency escape systems and adequate living

quarters. Dr Fletcher named a group to re-examine the project, but plans are in such disarray that the agency had to cancel a symposium on the space station scheduled for last month.

Dr Fletcher had to promise that the reorganisation would cost only a few jobs.

Nasa's own advisory council has also rebelled. In a letter to Dr Fletcher the group worried that without long-range goals, the space agency will be unable to attract talented new employees. It complained that the agency was not planning to make rockets for solar system explorations or to provide the mixed fleet necessary to avoid reliance on a single, fallible system.

Even worse, said the advisers, the US technology base has been so eroded that Nasa would have little capacity to move out in new directions should the need arise.

According to Aviation Week and Space Technology magazine, top White House advisers who have direct access to the President either are "too technically unsophisticated to grasp the importance of rekindling an aggressive well-balanced space programme, or are preoccupied with other issues."

Space analysts are clear that More troubles arose at the Johnson space centre in Houston, when Dr Fletcher proposed to remove some of its responsibilities as part of a reorganisation recommended by the Presidential commission presonal dislike of raising the commission to the president's personal dislike of raising the tower page of the commission to the president's personal dislike of raising the tower page of the commission to the president's personal dislike of raising the commission to the president of the commission to the president of the commission to the first page of the commission to the commission to

Brazil close to winning endorsement for debt deal BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT

BRAZIL was last night within an ace of obtaining the com-mitments it needs from its commercial bank creditors to ensure the smothh working of its latest \$31bn (£20.6bn) debt

Under the terms of the deal Brazil will be granted a retro-active reduction in interest margins worth over \$200m on medium—and long-term debt falling due in 1985 and 1986—but only if commitments covering 95 per cent of the arrangement are in by tonight.

Citibank-led advisory committee has been racing against time to reach the targeted level of commitments ahead of today's deadline amid signs that some creditor banks have been reluctant to endorse the restructuring scheme.

By last night the 95 per cent target had been reached for signatures covering part of the agreement which calls for 1985 maturities to be rescheduled over seven years and 1986 maturities to be rolled forward

until next Marrch. However there was still a small shortfall of commitments

to the other portion of the package which calls on lending banks not to cut the \$15.5bn in short-term trade credit and money market lines they have collectively made available to Brazil. Resistance to the package

indeed, harm summit prospects

Resistance to the package reflects continuing dissatisfaction among some creditor banks over the Brazilian Government's failure to honour the debts of private sector banks that failed last year as well as lingering concern over the Sarbey regime's refusal to negotiate an International Monetary Fund

on the advisory committee were that today's deadline would be met, but only just. If it is not, the planned cut in interest margins to 1; per cent from over London Eurocurrence deposit rates will not be retro

One banker said that this would be a slap in the face to Brazil, making even harder the negotiations on a longer-term rescheduling agreement which are due to start at the end of the year.

Sao Paulo car industry 'near to stoppage'

By Ann Charters in Sao Paulo

BRAZIL'S CAR manufacturing BRAZIL'S CAR manufacturing industry is in a state of near paralysis because of shortages of components and the effects of intermittent strikes.

Mr Andre Beer, president of the National Automobile Manufacturers Association, said car

production would have to stop soon if problems were not Production was down 8 per cent in August against July and sales were down 14.3 per cent because of lack of units. Ford and Fiat placed workers

on mandatory vacation in August because of lack of work and Volkswagen announced this week that 10,000 workers—more than one quarter of the com-pany's workforce—would be required to take 10 days off in two plants because of supply

The main problem is the shortage of raw materials, specifically pig iron, aluminium and

Until the current crisis, production was ahead 25.3 per cent over the first half of last year, and domestic sales were up 31.8

Haiti rejects reconciliation with Duvalier

A PUBLISHED request for reconciliation with Mr Jean-Claude Duvalier, the deposed Haitian President, has sparked angry refusal from the Carib-hoan metion's Justice Winister. bean nation's Justice Minister Reuter reports from Pert-Au

Prince.
"It is not everyone agrees to be bought," said Mr François Latortue, responding to a letter attributed to Mr Duvalier which was published in the New York newspaper Haiti Observateur.

The letter was addressed to Lt-Gen Henri Namphy, presi-dent of the new ruling National Council of Government. The report said Mr Duvaller had hinted elsewhere he would consider negotiating for reconciliation "by restituting part or

a fortune based on the figure of \$300m." Mr Latortue said the council had not received a proposal from Mr Duvalier, adding that extradition of the former leader for crimes against the people was not possible at present. Haiti may try to extradite Mr Duvalier after elections in November, 1987, Mr Latortue said.

Venezuelan oil projects BY JOE MANN IN CARACAS

THE VENEZUELAN national

oil company, Petroleos de Vene-zuela, (PDVSA) has announced plans to invest about \$2.13bn in petrochemical projects over the next feminal projects over the next few years.

These investments will in-

chude some private capital from Venezuela and overseas and will be managed by PDVSA's petrochemicals subsidiary, Pequiven. Although Pequiven has not published details of

jects are facilities for produc-ing ammonia, sulphuric acid polypropylene, caustic soda, arematic compounds, ethylene, ace tylene oxide and fertilizers.

Pequiven aims to increase capacity at some plants and instal facilities for making new products. An important share of new capacity will be directed towards export markets. Last year Pequiven had sales of almost \$582m and after-tax profits production capacity and estimost \$552m and after-tax profits mated costs for individual of \$80.5m. It exported 20 per plants, its highest-priority procent of its production.

When cotton yarn processors James Sutcliffe & Sons Ltd were told of the massive savings they could make by switching from oil to electricity they were, frankly, sceptical.

Ian Flint, Industrial Sales Engineer at Yorkshire Electricity Board, had taken a hard look at the oil boiler - used to provide heat for steaming cotton yarn and for space and water heating in the works canteen - and predicted substantial benefits by switching to electricity.

YEB carried out detailed tests before recommending the installation of a highly efficient electrode boiler for yarn steaming, with separate electric space and water heating equipment in the canteen.



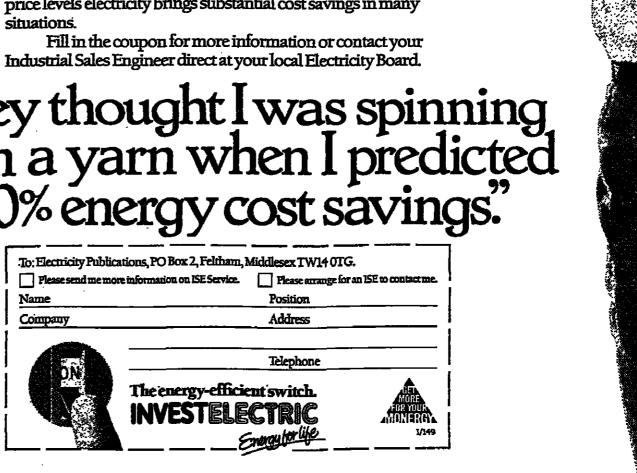
And it's no yarn that James Sutcliffe realised their investment after just 19 weeks.

This was just one of several thousand projects tackled by Electricity Board Industrial Sales Engineers during the last year

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"They thought I was spinning them a yarn when I predicted 90% energy cost savings."



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Zurich, September 5, 1986

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5 September 1986

WORLD TRADE NEWS

Bid to narrow trade policy split

BY QUENTIN PEEL IN BRUSSELS

TOP TRADE negotiators from the US, the European Com-munity, Japan and Canada, yesterday began three days of informal talks to narrow their policy differences, and try to prepare a co-ordinated tactical approach to the upcoming negotiations for a new round of international trade liberalisa-

The talks in Sintra, Portugal, will be dominated by the agenda for the meeting of Ministers to the 92-nation General Agree-ment on Tariffs and Trade (Gatt) opening in Punta del Este, Uruguay, in 10 days.

chairman of the talks, is expetted to try to steer clear of the most controversial subject -how to handle farm export subsidies in the new trade

None the less, it seems cer-tain to be raised by Mrs Pat Carney, the Trade Minister from Canada, to step up the pressure on the Community to allow wider debate of agricultural

Mr Willy de Clercq, EEC to include trade in services in enjoy all the advantages of ex-Commissioner for trade and the new round, against the con-porting under the system, with-

Mr Clayton Yeutter, US Trade
Representative, said before his departure for the Sintra meeting that it might not be possible to agree a common strates.

Out ensuring that it imports as freely.

The other EEC concern is to ensure "globability" in the new round—that all areas of liberative agree a common strates. lisation are embarked on at the same time and in parallel. Mr de Clercq is also keen ing that it might not be possible to agree a common strategy—but the aim was "to co-ordinate so that we fully understand each other's views."

Mr de Clercq is also keen to stress the link between trade problems and monetary problems and under-valued dollar and under-valued yea.

The EEC is most isolated on the question of a particultural trade reform, with France the under the Gatt—that no country can indefinitely continue to



within a particular time frame Both the US and Canada are happy to go along with that, although Japan is more

France draws lines for rugged farm debate

FRANCE HAS ensured that agricultural trade will be one of the two main areas of confrontation for the world's trade ministers when they meet at Punta del Este, Uruguay, on September 15 to decide on the start of a new round of international trade negotiations.

The other will be whether or how the negotiations.

The other will be whether or how the negotiations.

The other will be whether or how the negotiations should include subjects such as trade in services, intellectual property rights and trade-related investment not covered by the General Agreement on Tariffs

include the "new" issues.

It has also continued and policy that trade policy designed to make the EEC face realities.

Fourteen farm trading countries, including major grain and meat exporters such as Argentina, Australia and originally integrated into the farm subsidies in the draft relevant to farm trade. It stipulates that if a country can abroad have subsequently turned the Community from a net importer to a major in services, intellectual prop-erty rights and trade-related investment not covered by the General Agreement on Tariffs and Trade (Gatt) that governs

world trade.

The French staked out the lines for what Mr Clayton Yeutter, the US Trade Represenative, forecasts will be a "rugged debate," at the end of July in the GATT committee preparing for the talks. They then prevented the EEC from accepting the wording on agri-culture in a draft declaration

for the ministers. The draft, formally presented by Colombia and Switzerland, was one of three which emerged from the committee. It would have been supported by the majority of Gatt's 92 members without the Community's defection over agriculture and is likely to be the basis for the ministers' final

shuns Japan

import talks

By Cariz Rapoport in Tokyo

BORG WARNER, US vehicle

parts manufacturer, has decided not to participate in

the US Government's efforts to increase Japanese imports

of American car parts.

Mr Bruce Smart, US UnderSecretary of Commerce,
opened discussions with the
Japanese on car parts earlier
this month, charging that
"US parts suppliers are not
welcome within the inner
cirelactical Japanese auto comnamics."

pames."

Borg Warner, however, which has its own production plant and two joint ventures in Japan, has opted not to support the US Government's initiative.

"We don't like the idea of

we cont like the face or using pressure from govern-ments. It's not good from the Japanese auto makers' point of view and it's not good for our long-term relationship with them," said Mr Sumie

Iwal, an executive with Borg-Warner KK, the company's Japan affiliate.

According to US embassy officials in Tokyo, this is the first case of a US company choosing not to participate in the so-called MOSS (market-oriented, sector-specific) talks charted just year by Provident

started last year by President Bonald Reagan and Prime Minister Yasuhiro Nakasone.

An embassy official yester-day said that the US Govern-

ment would not coerce a com-

During his recent visit to Japan, Mr Smart stated that

US car parts suppliers had less than I per cent of Japan's

\$30bn (£20bu) market. Auto-

motive trade—vehicles and components — represents almost half of the trade im-

balance between Japan and the US, he said.

the case for increased imports by holding out the threat of

tion against Japan.

ncreased protectionist legisla-

Borg-Warner, however, says that threats of protectionism

and government pressure tac-

ties will harm their relations

with Japanese companies.

The US has been pressing

panies."

Launching the new round

At a meeing in Cairus, Australia, they agreed to insist on improvements to the declara-tion, to commit countries to a reform of agricultural trade that would include "a marked reduction in the use of agricul-tural subsidies."

The farm production and trade policy of the EEC, the US

expects to sell in the US this

year. Sir John Egan, Jaguar chair-

man, says this is a small price to pay to be able to sell in the world's largest luxury car

The company expects to cut its CAFE fines and "gas-guzder" taxes by half, once its new saloon—code-named XJ 40 and due to be launched shortly in the company of the company

in Britain—is widely available

In 1985, Jaguar became the

in the US.

Borg Warner Jaguar faces US fuel penalty

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

JAGUAR, the UK luxury cars saloons and sports cars sold in

JAGUAR, the UK mixing cars saloons and sporus cars som in group, faces a fuel consumption penalty of more than \$8.5m (£5.7m) this year in the US where it sells about half its annual output. The penalty comes under CAFE (corporate average fuel economy) resular supersular than affair but must have built

average fuel economy) regula-tions.

The company also will pay about \$20m in "gas-guzzler" txz on the record 22,000 cars it expects to sell in the IIS this

William Dullforce in Geneva looks at the thorny issue of agriculture which is set to be a

theory is paid by the customer. In practice, however, manufac-turers absorb the tax.

Jaguar sold 1,676 cars in the

US last month, a record for August and up from 1,392 in August, 1985. The group expects to double US sales by the early 1990s with the help of the XJ40

and has been spending heavily to reorganise the dealer net-

net importer to a major experter of grains.

Attempts within Gatt to correct the situation in agricultural trade have been simost entirely fruitless. The last Tokyo round

ture which is set to be a major issue at Punta del Este, in this the first of a series on the Gatt talks

The last Tokyo round of multilateral negotiations produced a code on subsidies which proved to be more difficult to apply to farm products than the rules it was supposed to clarify.

In 1982 trade ministers decided to try again to integrate the rules it was supposed to clarify.

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In 1982 trade ministers depolations products than the rules it was supposed to clarify.

In 1982 trade ministers decided to try again to integrate the rules it was supposed to clarify.

The Community was unable to endorse this agenda in the free trading system and a Gatt committee the wood concentrate on approaches to export subsidies.

One would concentrate on market in market starting arrangements. It is the alternative preferred by the necessary to bring all EEC to a draft agenda for reduced to try again to integrate the rules it was supposed to clarify.

The Community was unable to endorse this agenda in the rules it was supposed to clarify.

The Community was unable to endorse this agenda in the rules it was supposed to clarify.

The consumant of control of the Community

member-states to refuse Community approval of the Colombian-Swiss draft.

Colombian-Swiss draft.

Since then, the US has repeatedly said it was interested in trade negotiations only if they aim at restoring sense to agricultural trade and sense to agricultural exporting countries agriculture exporting countries at the difference agriculture exporting countries at the difference agriculture exporting countries at the difference agriculture exporting countries agriculture exporting countries at the series of the trade commitments are referred to in the majority price at which imports can agriculture exporting countries agriculture e

The current dealer network of

Jaguar says its US dealers

During the past two years, Jaguar has been re-establishing its position in West Germany, and next year is to mount a

major drive in Japan, the last big market in which it has yet

actions.

last year.

Britain aims to block subsidies showdown

By Christian Tyler, Trade Editor BRITAIN HAS accepted the responsibility as current president of the EEC of preventing a political showdown over farm subsidies that could ruin the launch of world trade negotia-tions in Uruguay later this month.

Senior trade policy officials of the Community meet in Brussels early next week to ex-

basis for the ministers' final declaration from Puna del Este.

Exte. The other california declaration from Puna del Este. The control of the EEC, the Use and Japan were destroying agridates and objected to a modified text staing that negotiators would consider a "phased reduction of the negative effects of direct and indirect subsidises and objected and indirect staing that negotiators would consider a "phased reduction of the negative effects of direct and indirect subsidised competition on world markets."

It also sought to erase wording which would allow farm the community that the time the community that the community could not allow its Common Agricultural Policy to be put at stake in multilateral negotiators would not allow its Common world markets."

The common world markets."

It also for allowing the competition of the commonity that the interest production with the farm legislation to be raised in any other mittee specifically appointed to destinate that world allow its Common Agricultural Policy to be put at stake in multilateral negotiations. France compelled the other member-states to refuse Community approval of the common was a condition of t

way that will satisfy demands from the farm-trade militants and allow the Gatt negotiations

on a wide range of trade issues to get off the ground.

Despite the urgency of the diplomatic task, officials argue that too much momentum has gathered behind the new trade round for ministers to allow it to colleges at the first force. 170 will be cut to 150 and severance terms have been agreed in all but four cases which will be settled by legal to collapse at the first fence.

Danish group places order for 5 ships

were not responsible for its fall in the rankings in the influential J. D. Power "Customer Satis-faction" index for 1985, when while Jaguar pays the CAFE the company slipped from fifth fine in one lump, the "gas to 11th place among the 32 suzzler" tax is incorporated in manufacturers selling cars in the list price of its cars and in theory is paid by the By Hilary Barnes in Copenhagen THE AP Moeller Maersk Shipping Company has placed an order for five vessels—two product carriers and three con-Two ear re-calls, one to change a fuel line and another to change a deficient radio, counted against the company tainer ships with the Odense Steel Shipyard, which is owned by the group.
This is the first significant

order received by any Danish shipyard since December 1984 when the Folketing (parliament) stopped a system of taxlos partnership investments in shipping.

"fine"—£7.8m—for failing to meet the US government's mandatory standards for fuel consumption across its range of Edwards, finance director.

to make progress.

Jaguar is setting up its own agles company in Japan and hopes within two years to boost registrations there from about 400 to more than 2,000 annually.

The government and main opposition parties agreed last month to relax the rules. Moeller said its order was sumption across its range of Edwards, finance director.

Soviet moves will step up drive for orders

BY PATRICK COCKBURN IN MOSCOW

powers of the Soviet Foreign Trade Ministry from the beginning of next year is likely to lead to increased foreign competition for contracts in Moscow because traditional links between foreign suppliers and the ministry will be disrupted, say diplomats.

In future, individual ministries and some big enterprises will be allowed to trade on their own account and control part of their hard currency earnings, diplomats add, The Ministry of Foreign Trade will continue to deal with big projects. Although the Soviet Union

has cut its imports because of radical restructuring of Soviet the fall in hard-currency earnings from oil and other raw materials, the change in the way soviet foreign trade is organ—Bozis Aristov was appointed ised is likely to lead to Western Foreign Trade Minister last companies seeing if they can year.

The ministy has seen a very displace suppliers who previously dealt with the Foreign rapid change-over in senior per- during the 1988-90 Five Year has not been announced

HUNGARY is to import 25,000
Opel cars from West Germany
over the next five years and
will pay for them with truck
components, Leslie Colitt
writes.

The deal is to be signed shortly between General Motors of the US, which owns Opel, and Raba ETO, a leading Hungarian engineering

Hungary held talks with

Trade Ministry and its Foraign Trade Oganisationrs. The reorganisation, the most

several Western car manufactures on a counter-trade deal which would not involve it spending precious hard currency. Hungary makes trucks (Raba) and buses (Rarus) but not ears. It imports about 160,900 cars a year, nearly all from the Soviet Union and Eastern Europe, but they are unable to boost deliveries to Hungary to meet demand

sonnel in recent months, including a clamp-down on corruption. ng a clamp-down on corruption. retirement of Mr Vladimir This has coincided with a Listov, the Chemical Industry re-ordering of Soviet economic Minister in August and his priorities with emphasis now being placed on refurbishment

Plan have been disappointed. Two British companies, John Brown and Davy McKee, hidding for two chemical projects, originally reported to be worth more than film, are still walting to see if scaled down versions of the schemes will go ahead.

Marubeni of Japan did sign a Y15bn (£66m) pact for the supply of an acetic acid plant last month — renegotiated because of the rise in the yen but most petrochemical pro-jects have been abandoned, reorganised or rescheduled.

Delays may also follow the replacement by Mr Yuri Bespalov. Another minister in and high technology rather than the same sector Mr Alexei Petrithe purchase of complete plants. Most companies bidding for Fertiliser Production, died last The ministy has seen a very projects put out to tender Saturday and his replacement

David Fishlock describes the changing role of Britain's biggest civil research centre outside the nuclear industry

Envious eyes cast on Rutherford laboratory's budget

A SINGLE laboratory in Oxfordshire consumes almost a tenth of Britain's national science budget. At a time when this budget is under severe strain, with the Government's scientific advisers pleading for another £35m next year, it is inevitable that envious eyes be cast at the £50m allocated to the Rutherford Appleton Laboratory at Chilton.

This is Britain's biggest civil

This is Britain's biggest civil

Its most expensive instructions of the cost form. Its most expensive instructions include the international plore the fundamental struction of matter as at CEEN, by the cost form. science journal Nature and Sir Douglas Hague, chairman of the Economic and Social Research Council, who believes "one of the things Britain is worst at is closing things down."

Prof Sir David Phillips, chairman of the Advisory Board for the Research Councils, which counsels the Government

Britain:

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for the Research Councils, which counsels the Government on science spending admits there is a lot of numbling about the Rutherford.

The original postwar role of this laboratory—atom-smashing with an accelerator called Nimrod—gave way long since to activities spanning the spectrum of the physical sciences. Here, says Sir Douglas, is a laboratory which spends almost as much on itself as the total of the research grants to academics to whom it provides services. Too much of Britain's science budget may be going into self-perpetuating "bureaucratic

perpetuating "bureaucratic science," he believes. He questions the recent decision to site the new-Cray technics who share time on other supercomputer for the use of such powerful instruments as have be

tain in Hawaii, at a cost of about £10m. Its most expensive instrument

has cost 260m. This is iss, an atom-smasher used not to explore the fundamental structure of matter as at CERN, but as a microscope that can penetrate everyday problems—posed by metals, powders, catalysts, chemical reactions, living cells—to understand how they behave. Instead of lightwaves, Isis ness a shaft of neutrons. Isis uses a shaft of neutrons.

Isis illustrates a fundamental

misunderstanding on the part of critics about RAL's role, its of critics about RAL's role, its management believes. This is an expensive facility which supports a lot of little science. Isis is being used by about 400 university scientists, who bring along their experiments and are allocated time on an instrument RAL tries to keep running round the clock, for about 5,000

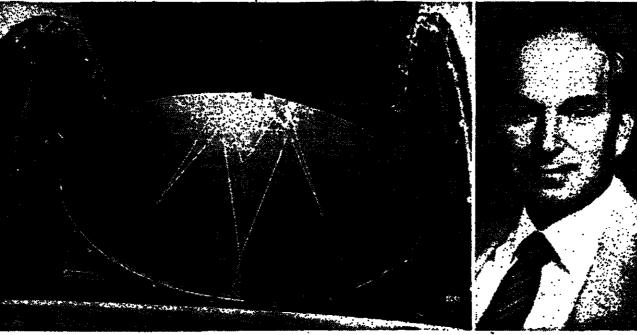
round the clock, for about 5,000 hours a year. RAL even pays the travel expenses.

As Prof Geoffrey Manning, science are changing."

RAL's director, sees it: "We have 4,000 highly intelligent, impatient people making demands on the laboratory."

These are the scientists in response to potential users. If the British universities and polyitechnics who share time on such powerful instruments as have benefitted from the cash.

RAL is not really a research



The Angle-Dutch 390mm telescope built by the Rutherford Appleton Laboratory in Hawaii and Professor Geoffrey Manning, RAL's director.

supercomputer for the use of Britain's university scientists at Isis.

RAL this year. As host to this £13.5m facility, the laboratory will become almost immune from any further challenges to its future in British science. Sir nor a servile role, but a genuine 1.444, about 300 spend part of collaboratory epitomises big science in Britain. Its activities include such costly areas as national support for Britain's membership of CERN, the Euro-

asserts.
Thus RAL is a multi-purpose laboratory, spanning a spectrum from the smallest to the largest measurements in science—from measurements on sub-atomic fragments to celestial spacings. It requires engineering of an order unobtainable in British

RAL's central alser facility, managed by Dr Mike Key, is not only exploring the frontiers of loser design and engineering in competition with hig US, Japanese and French laboratories, but also offers a wide range of services, increasingly

considerable interest in an spreads most widely across UK X-ray laser of a particular wavelength, about 40 angstrom, science is central computing, managed by Mr Douglas House. wavelength, about 40 angstrom, to take advantage of the "water window" so that they can illuminate living cells. Through the engineering development of its powerful Vulcan ultraviolet laser, in a joint effort involving three British university teams, RAL has come closer this year than any other laboratory to the coveted X-ray laser, with a wavelength as short as \$1.91 angstrom. US laser scientists at one laboratory, with about 100 times RAL's laser budget, call it "the best value for a buck in laser science," Prof Manning asserts. Mainframe computing has been run as a business for more than a year. It has 2,000 subscribers in British universities and can handle 350 concurrent users, Mr House says.

JANET, the Joint Academic JANET. the Joint Academic Network, connects all university sites and all the laboratories of the Science and Engineering Research Council and the Natural Environment Research Council, A gateway developed by RAL joins JANET with EARN, the European Academic Research Network of search Network of mother 600 computers. But the facility whose service But RAL is taking pains to for Prof Manning and his direc-

establish the Cray supercomputer as a separate facility under Mr House. The decision to set up this new national facility was reached by a joint facility was reached by a joint independence is for RA superlying party of the Advisory. working party of the Advisory Board for the Research Councils, the Computer Board for Universities and Research Councils, and the University Grants Committee. Its report last year found that, "for quite modest expenditure, a super-computer can meet the needs of a large number of users to solve complex problems in all areas of science. Not only is it an essential tool for research but it is also extremely cost-effective." It recommended pur-chase of the Cray, and RAL as

be shared will not be a problem until its capacity is saturated.

This raises the question of whether what is evidently a "centre of excellence" in British science should not find substantial earnings outside the hard-pressed science budget. The most compatible way to bring in money is to internationalise instruments such as Isls, so that the research

Isls. so that the research budgets of other countries help pay for their further develop-

survival by making itself indis-pensable to science. It can be argued that the growing interest in Isis shows how farsighted it was in anticipating the needs of its users. It can also be argued, of course, that scientists might as well use it because it is there. An obvious pitfall for RAL measuring temperatures is that it will come to be seen by scientists as simply a collection of very sophisticated and very disparate services, operated on their behalf with no compact source of neutrons are convenient expected.

tors, and would probably reduce

One opportunity for more independence is for RAL to earn more money outside the science budget. It has the on commission up to 10 per cent of its budget, if the work is compatible with its programme. Another proviso is that such research shall not hamper free access by its 4,000 current users

that is, shall not be classified.

Prof Manning recently spelled out for staff his own rules, under which he is willing to but it is also extremely costeffective." It recommended purchase of the Cray, and RAL as
its location.

Mr House hopes to have his
Cray service running within six
weeks of receipt this winter.
Who can use it will be decided
by peer review. How time will
be shared will not be a problem
until its capacity is saturated.

under which he is willing to
participate in such work as laser
weapon research for the US
Strategic Defence Initiative.
Above all, RAL must remain
open to all-comers, he says. Its
chances of landing a Eigen contract to build a big excimer
laser with SDI funds appear to
have diminished this summer.
RAL has not been very

RAL has not been very successful in selling its science to industry. It earns only about 1 per cent of its budget in this way. Prof Manning believes it can find a much bigger role in

tan into a much object to he helping to transfer technology from universities into industry.

"It's like prostitution—it was frowned upon." he says of past academic attitudes towards commercial exploitation. But he has began to explore several ways to win more attention from industry, including the pos-sibility that the British Technology Group might act as his business managers.

The laboratory wants to engage, ideally, in joint ventures with industry. One which the laboratory hopes to persuade Rolls-Royce to co-finance is a remarkably revealing method of measuring temperatures throughout 2 gas turbine when central creative role of its own. convenient enough for Rolls-This would be very frustrating Royce to put on an engine test for Prof Manning and his direc-bed.

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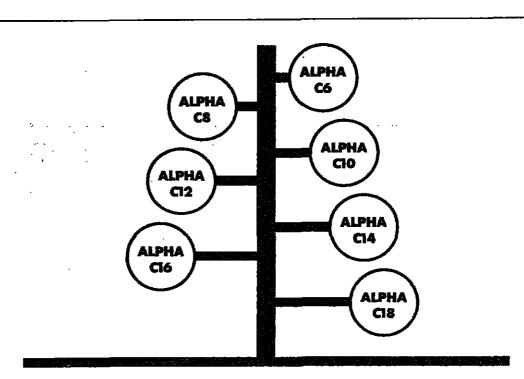
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To prove the system, Harvard University, in Boston, has agreed to co-operate in a trial that will link four of the University's major computer faci-lities. The NYNEX funded experimental system will provide a high-speed data link between

a high-speed data link between the computers, using existing fibre optic telephone lines.

This so-called "Metropolitan Area Network" (MAN) will carry data signals at a speed of 10 megabits (1.25m characters) per second, about 178 times faster than current systems.

MANS, such as the one to be tested by NYNEX at Harvard, are a topic of increasing interest in the computer commu-nications industry. A MAN pro-vides high capacity data commu-nications at speeds normally, found only on local area office-networks over geographic areas-st large as a city.

as large as a city. A major advantage of MANs is that they can be expanded or reduced quickly with little or no change in fibre facilities, responding immediately to changing service demands.

"With the data communica-

tions market growing at an annual rate of 15 to 20 per cent. and an expected five-fold in-crease in private computer networks by 1990, the need for high-speed, high-capacity transmission and for network inte-gration becomes obvious," says agappa Pattanashetti, manager of network planning at NYNEX Service Company, which is co-ordinating the Harvard project.

He notes that packet switching combines flexibility and ing combines flexibility and great speed, while fibre optics gives the wideband capacity needed to carry the packet signals over great distances.

He characterised the trial as "a major step in NYNEX's evolution toward a wideband integrated services digital network (ISDN) in which voice, data and video signals will all be carried over the same band of fibre optic cable."

of fibre optic cable."

The high capacity of MANs will make high-speed data applications between processors more cost effective and will even spawn new applications, NYNEX believes.

The primary goal of the Harvard trail is to interconnect local area networks (LANs) able to commounicate with each other over the MAN. The high bottlenecks during transfer of inter-LAN traffic and will create to new semiconductors and

Salomon's sense of theatre brings down the roof

David Lawson looks at how the US financial group set about creating the largest dealing room in Europe

fury of a trading room, crammed with endless rows of advanced electronic equipment advanced electronic equipment and screaming traders, making deals worth billions of pounds at the opening of the New York market or after some crucial

market of after some trutal economic news.

In the run-up to the deregulation of the City markets, the Big Bang on October 27, the financial institutions have been financial institutions have been scrambling for buildings with the space for such dealing floors and the capacity to handle new technology. Usually they have had to move out of the heart of the City to find suitable bremises, something that soaring rents and restrictive planners have never previously forced them to do. But ripples of shock ran through the City when Salomon Brothers, one of the world's leading financial groups, decided this year to move out as far as Victoria, well to the as far as Victoria, well to the west of London's financial heartland. Even more surprises were in store when plans were revealed for the way Salomon's designers aimed to convert the new building over Victoria station to meet the bank's

umisual demands. Salomon was not interested n merely creating a standard giant floor of dealing desks like its competitors. What it like its competitors. What it wanted was to reproduce the sense of theatre of its main trading area at the company's headquarters in New York, a double-storey space known simply as "The Room," where VIPs can look down on the drama and tension of the floor below.

"It is the image of this floor."

"It is the image of this floor being the hub of the financial market that is important," says Mr Stephen Swicegood, manag-Mr Stephen Swicegood, manag-ing director of Reery, the US architects and engineers who have carved a niche in the UK

inst on doing well but be seen to be doing well.

One of the most potent signs of success today is the noise and street Station and on the south bank of the Thames, but the cost of conversion or the

atriums big enough and high enough for the over-size deal-

"The first was that the open space had not been designed for people," says Mr Swicegood. "There was no power, no lights, and no other services—yet we were aiming to put in the most highly serviced of operations." This was a minor matter, however, and the continuous with the prophetics. refusal of developers to refusal of developers to rountenance such radical changes ruled out these sites. Salomon was getting desperate, as it wanted its operation up and running by the October Big Bang deadline.

Then its property advisers Savills put their heads together with Heery and realised that the development over Victoria Station had been built with two satriums big enough and high would have the added advantage

seemed feasible to Heery. This would have the added advantage

demolished link block, and all this had to be supported on a few columns rather than fixed to the surrounding building.

Salomon also came up with a further restriction to test the engineers and prove its determination to have the right sort time the method has been used indoors. The book contains all the special lighting and air-conditions to three years duration in case it decides to move back into the City in the near future fewen though it has longer leaves on the rest of the space in the building). This meant the whole lot had to be easily removed within a short time.

World in these sorts of structures—through coping with work by architects like Richard Rogers —but Mr Estathew Wells, the project engineer, says it is the first time the method has been used indoors.

The roof contains all the special lighting and air-conditioning required for a dealing floor. This had to be independent of the rest of the lighting because long trading days are different to normal office hours. Large amounts of aluminium who led to be easily removed within a short time.

As a final test of the designers' Salomon also came up with a further restriction to test the engineers and prove its determination to have the right sort of operation no matter what the cost. It decided to limit the lease terms to three years duration in case it decides to move back into the City in the near future (even though it has longer leases on the rest of the space in the building). This meant the whole lot had to be easily removed within a short time.

After much discussion with

d. levels below.

t. That meent any extra weight the demolished link block, and all world in these sorts of structures this had to be supported on a few columns rather than fixed to the surrounding building.

Salomon also

IMAGE IS becoming a powerful by helping ease American comforce in the modern City of panles into the British way of force in the modern City of panles into the British way of London. Business can hinge not construction.

"The first was that the open inst on doing well but be seen Heary had originally short."

"The first was that the open instructed number of columns restricted number of columns floating roof suspended by steel ing extra uninterrupted space to reaching down to the tracks two

produce the largest dealing floor in Europe when "The London Room" switches on next month to wind up for the Big Bang. More than 300 desks will fit into the hooded atrium surrounded by other dealing operations in offices and viewing areas around the consolete

This technical triumph will

operations in onces and viewing areas around the complete 55,000 sq ft floor.

If everything goes well, Salomon may find its outpost to the City comfortable enough to stay in. "After all, many of the discourse way like the idea.



Ceramics boost to gas turbine efficiency

By Geoffrey Charlish CERAMICS FOR gas turbine components that will improve the efficiency of both aero and industrial gas turbines under development at of Rugby, UK (0788 816677).

Conventionally, gas turbine nirfoil blades operate in gas temperatures exceeding 1,300 deg C, higher than the melting point of the superalloys used to make them. The blades have to be cooled using air from the compressor section, which uses power. Under Department of Trade and Industry sponsorship, the

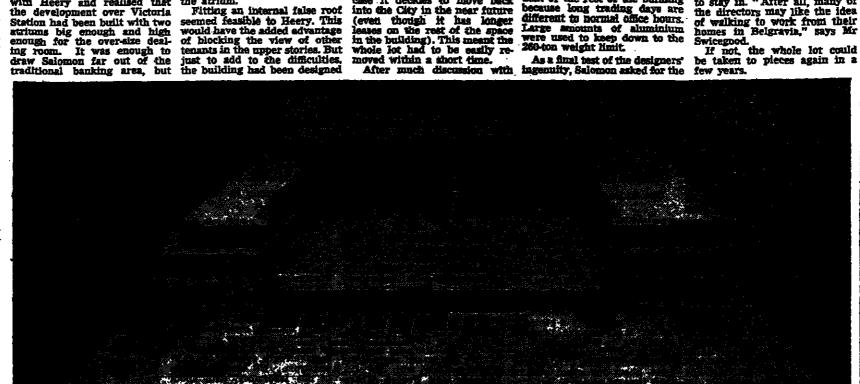
company has developed materials which substantially maintain their high strengths at temperatures likely to be found in future gas turbine

Hitachi has designs on

sharper colour HITACHI, has launched what it describes as an ultra high resolution colour monitor for computer aided design and manufacture or business

graphics applications.

Designated the CM2087A, the 20-inch monitor has a 1664 by 1245 dots resolution.



How big-magnet research in Britain has become torn between two fields

Victoria Plaza: Away from the City but hig enough to house Salemon's "London Room."

expertise with that of European scientists to create a major new multinational research facility near Grenoble in France?

European scientists with an fields gather in Grenoble next science other over the MAN. The high science, moreover, that underments of scientists. capacity, comparable to that on pins a broad swatthe of high A quarter-century

SHOULD Britain back its own supply of magnetism, as scientific — and commercial — manager of its high field supsuccess in inventing powerful port group. His job was to put new kinds of magnet and uses magnetism "on tap" as freely for them? Or should it pool its as electricity or water.

His plans were shelved when the government said it would finance them provided the national magnet laboratory was built at Newcastle University, in the interest of dispersing Harvard (rail is to interconnect fields gather in Grenoble next science more uniformly local area networks (LANs) month to try to resolve the best throughout the country. Wood located at various university facilities, These LANs will be able to commounicate with each moving sector of science. It is magnets to the special require-

now inadequate to meet the scientific demand, his plans an environment more conductive to distributed processing and sharing of databases.

New England Telephone will plan and instal the fibre optic system connecting the Harvard computer centres to three telephone central offices. Bell Communications Research Inc will provide modified switching and develop the software meeded for the trial project.

Superconductors.

At issue is the plan of have been dusted off and updated by Harry Jones, the physicist who now manages the physics departments, for a clarendon's high field support group. But the latest scheme early 1960s when Sir Martin facility that the Clarendon first wood, founder and deputy acquired in 1947, round which chairman of the Oxford Instruments Group, was providing the is an old Metrovick motor generator, a veritable "Rolls-

and 1960s, keeping this machine in peak condition is the premier task.

The Clarendon has presented the Science and Engineering Research Council with a new scheme for a national magnet laboratory in a new building adjoining its Mullard Cryo-magnetics Laboratory. Magnet design has progressed apace, for 25 years ago there were no superconducting magnets. To-day the researcher can choose from three sources of high A quarter-century on, with magnet laboratories magnetic field — conventional had designed for the Clarendon electromagnet, superconducting, and pulsed — each having its own distinctive experimental

With new magnet designs, the old Metrovick motor generator still provides the most stable and convenient source of high records in having the highest posed for Grenoble, field—up to 13 tesla. The field. field—up to 13 tesla. The field."

The big change from when national magnet laboratory, as His current scheme would now envisaged, would still need cost the research council "a magnet laboratory in Oxford, in the machine as well as many of few millon pounds"—perhaps the 1960s, is that today "there the Clarenden's unique mag- £2m a year for three or four is a cast-iron demand for high

as Royce" of its kind, which prosupoput of the magnet experiments. For
preciy Jones, as for Wood in the 1950s
treely Jones Jo It would also need its hybrid magnet, combining the tech-nologies of the electromagnet and superconducting magnet, which Jones believes " must be

> OUT OF THE **BACKROOM** by David Fishlock the most heavily used big magnet in the world." But the

The tradition of his magnet group has always been to pro-

There are also new pressures needs an expensive refurbishment, he says.

The tradition of his magnet wants other countries to join in stoup has always been to pro-vide the researchers with a ments, it must co-operate readily dependable service, not to estab-lish a monument to dependable service, not to estab-lish a monument to science. Such a scheme is a new Euro-"We never set out to break pean magnet laboratory pro-

magnetic fields." He knows, design of 600 megahertz NMR having built up a company magnet with 20 per cent higher supplying this demand, initially field strength than any other for laboratory research and commercial NMR magnet. It.

among British scientists.

-" does benefit from having a very active science communication round the corner." Clarendon also still does the quality acceptance tests on the 2.5 tonnes of superconductor it winds into magnets each day. Oxford Instruments has its own science and engineering of magnets, reckmed to be absorbing over 10 per cent of turnover. It has successfully tested a new

fairly modest, but nevertheless for laboratory research and commercial NMR magnet. It matters as commercial opportunities such as nuclear magnetic size severely stretched, with many more worth-while proposals than it can hope to fund. One of the scheme's staunchest proponents, Prof. Bill. Mitcheil, former director of the Clarendon but now chairman of the Science and Engineering needing such magnets, be says. They include a He doesn't oppose plans for a ministurised synchrotron (atomating on new investment.

There are also new pressures on British scientists.

There are also new pressures on British scientists, and commercial NMR magnet. It also successfully tested last month a £1m tool of the future, when line widths are as fine as half a miniaturised evelotron for the

manufacture of radio-estopes, weighing perhaps 1 tonne where today's technology is 20 times as heavy.

Sir Martin Wood, who nowadays has special responsibility for Oxford Instruments' links with universities and research centres, says his company will help fund the national magnet laboratory provided it gets the backing of those who administer the science budget.



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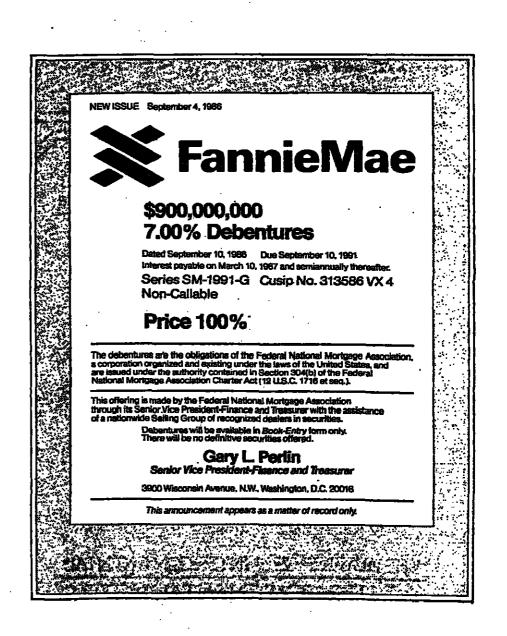
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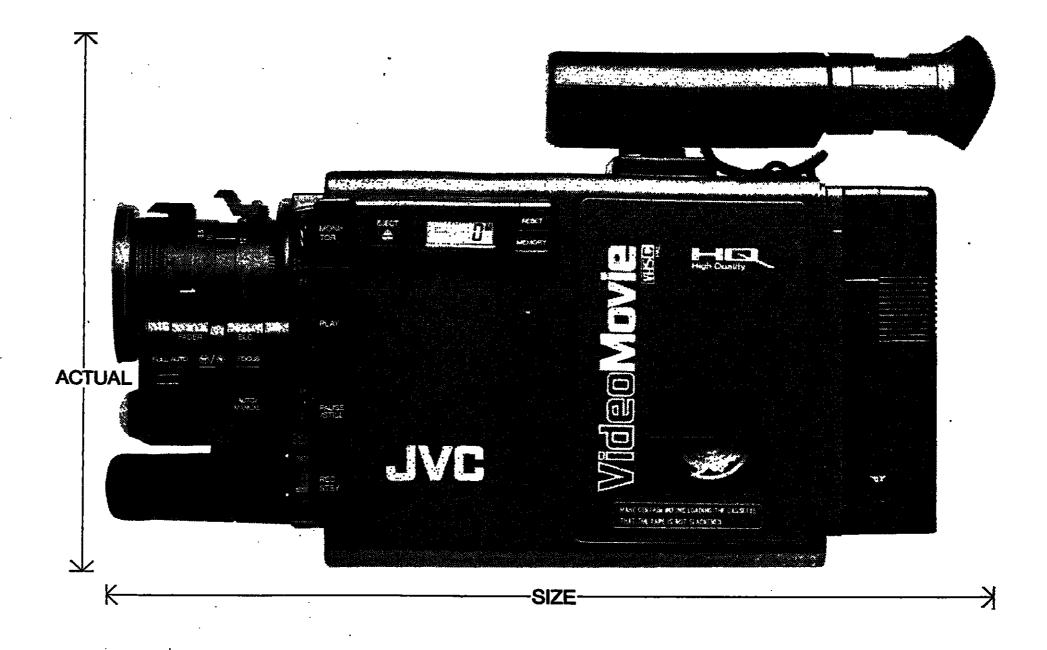


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Guinness

revived

by Risk

controversy

SIR THOMAS RISK, the Governo:

of the Bank of Scotland, last night

revived the controversy surround

ing his forced departure as non-ex-

ecutive chairman designate o

Guinness, the UK brewing and le:

sure group, Lionel Barber writes.

Sir Thomas's public statement

contains new details showing that

Sir Thomas was not party to discus-

sions with the full Guinness board

about the decision to scrap his ap-

pointment. He makes it clear that

this was presented to him as a fast

Sir Thomas's intervention ap-

pears calculated to influence next

week's extraordinary general meet-

ing of shareholders, called to ap-

prove a new Guinness board struc-

ture to be chaired by Mr Ernest

Saunders, currently chief executive.

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Britain have been created over the

years by the buy-British policies of

accompli

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TRADES UNION CONGRESS IN BRIGHTON

Strategy for next election have fund wins delegates' backing

BY PHILIP BASSETT, LABOUR EDITOR

LEADERS of the Trades Union pute was there division - and in the Nationial Union of Minework-Congress (TUC) will end their annugress today in the main united, after a vote yesterday in favour of the TUC's proposals on nuclear power and a unifying demonstration of anti-apartheid solidarity on South Africa.

The TUC will broadly have

achieved its principal objective for this year's session of trying as far as possible to draw together behind a series of proposals, either worked out with or supportive of the Labour Party, in the hope that a unificrease the party's chances at the

at Brighton mean that over the wing policy for the phasing out of week the TUC leadership has secured congress approval of key joint Labour-TUC policies on employment law and the second of the debate on the debate of the debat ployment law and the economy and widely regarded as impressive, with has weathered the storm over nu-

electoral terms, that is regarded by ers, and one of the leading anti-nu-labour and the TUC as much more clear proponents, said that the Labour and the TUC as much more

The relative success of the week is also being seen by union leaders as both an achievement and endorsement of Mr Norman Willis, the TUC's general secretary, whose ability to do the job was anonymously questioned by some union leaders before the congress started.

Yesterday's substantial backing by delegates for the TUC leadered trade union movement will in- ship's proposals for a freeze of and inquiry into nuclear power, and their rejection by the tight majority

clear power. TUC congress for many years. be some conditions on the Wapping printing dis-TUC congress for many years.

tightness of the winning majority showed clearly how many unions had come out against nuclear power. But Mr John Lyons, general secretary of the Engineers' and Managers' Association, said that, while the vote had been tight, the TUC had rejected the anti-nuclear option, and the anti-nuclear tactic of

advance of the congress debate. end its plans for gradually phasing out existing nuclear plants. It much tougher proposals mean that the party and the TUC are not at present wholly in line on the issue though joint talks on it are likely following the Labour conference in just over three weeks, focusing especially on the issue of replacement employment for the jobs that would

leaking the Labour Party's plans in

Nuclear power ban rejected

It supported instead the position long time, but it took Chernobyl for of the TUC general council in its us all to see it. document on the industry, calling for a freeze on all work while a thorough study is carried out. Delegates voted, with the TGWU transport workers and Tass manufacturing union leading the opposition, in proposals did not go as far as those favour of this report by a substan-

"Some technologies are so inherently catastrophic in their consequences that we simply cannot abide by them."

He pointed out that the TUC's to be published formally by the Labour Party this weekend.

extremely narrow margin against a harm with the fall of the FBU, firemen's union, er station engineers, said to audihan on the UK's nuclear power production on the UK's nuclear power production of the FBU, firemen's union, er station engineers, said to audihan the result of the fall of the fal gramme, including the phasing out to the Soviet nuclear plant disaster, "inconceivable" to those engineers of nuclear power plants, Philip Bashes and "The writing has been on that the Chernobyl accident could the wall for nuclear power for a happen in the UK. He stressed that unilateral aban-

> clear power stations abroad - 200 of them, with 101 under construction. Mr Gavin Laird, general secretary of the AEU engineers, said that

nment of the nuclear industry in

the UK would not affect nor limit

the impact of any accident at nu-

our Party this weekend. the British nuclear industry was Mr John Lyons, general secretary the safest of its kind in the world.

Mr Alan Tuffin, general secretary

managed externally

By Clive Wolman

THE El.6bn of assets in the UK pension fund of Unilever, the Anglo-Dutch food and detergents group, are to be handed over to ex-ternal investment managers, the ompany announced yesterday.

The large investment management contracts on offer are expected to lead to the second battle this year involving nearly all the largest City of London institutions, including banks, insurance companies, stockbrokers and independent in-

Unilever will be only the second large UK pension fund to wind up its internal investment department and contract out the manager A similar decision was taken earlier this year by the £4.5bn British Rail

There is a high probability that part of the Unilever fund will be managed on a passive basis, requiring no investment decisions to be made, so that its returns match those of a UK stock market index Mr Ranhe Langham, the Unilever ons officer, said yesterday that the company would view such a proposal sympathetically as a result of its experience in the US where one of its pension funds has assets managed on a passive, index-matching basis.

Mr Langham said that the decision to disband the investment department, which comprises six managers, was taken because of the difficulties in building up sufficient expertise in all the investment markets. External management house had more muscle and greater dealing skills which might become more important after the deregulation of the London Stock Exchange in October, he said.

Over the last five years, the fund's performance in UK equities has been above the pension fund average, but that edge was eroded by the relatively low proportion of the fund's assets held in shares in a period of rising stock markets. At the fund's year-end in March, 38 per cent of assets were held in UK equities, 23 per cent in cash and fixedinterest stock and 9 per cent, an unusually high proportion, in indexlinked government securities. The remaining £200m of assets in the fund, which are invested in real estate, will not be contracted out.

Unilever to Poor results at Lloyd's reflect PCW affair and liability losses

Lloyd's insurance market has Our Financial Staff looks tended to be concentrated on the problems of certain syndicates and the activities of certain of its work-

The global accounts for 1983 issued yesterday by the Corporation of Lloyd's not only highlight the financial effect on the whole market of one of the major problem syndi-cates - the PCW Underwriting Agency. It also shows the impact of one sector of the insurance market - the liability account - on the over-The accounting practices of

Lloyd's syndicates, unlike those of the insurance companies, is to keep an account for a particular year pen for three years before closing it and assessing the results. Thus Lloyd's is assessing the results of business done in 1983 – a year when insurance markets worldwide were still very much in their downcycle This is illustrated by the trend in

combined premiums of all the synlicates in 1983 which amounted to 62.57bn - drop of 6323m on prem-iums for 1962 - after years when remiums had been rising steadily. All the major classes showed a drop in premiums, with the marine account down £142m to £768m, the pircraft account down £53m to £189m and property damage down £83m to £370m. This reflects the very keen competition for business that took place in that year, leading to premium cuts and loss of busi-

However, the underwriting losses for 1983, at £114.69m, were some problems from inflated court

at insurance market's accounts

£73m lower than in 1982 although investment income was also down £25m at £416.89m. But when it comes to assessing the bottom line, then the effects of the PCW affair comes very much into the picture.

The overall profit, including the PCW syndicates, was just £35.8m, compared with £57.01m in 1982. The 1983 profit was the lowest global

figure for two decades. These figures would indicate that profitability generally at Lloyd's was still in decline. However, if the PCW losses are excluded, then globel profits in 1983 were £179.14, compared with £130.23m in 1982 and £151.88m in 1981.

Of course even these figures pale beside the £263.82m profit in 1980 on a premium income of £1.86bn. But as Mr Peter Miller, Lloyd's chairman, points out, the trend is in the right direction, and he is cautiously optimistic that results for the next few years, excluding any further effects of PCW, will show profit improvements.

A further analysis of the results

shows that there are just two prob-lem accounts in the Lloyd's insurance market, the major one being its liability business, with the motor account also having problems. The majority of Lloyd's liability usiness arises in the US. Insurers in that country have been having

awards on liability claims, to the extent that in some classes of liability business, such as medical malpractice, it has become impossible to get cover at a reasonable cost.

The underwriting losses Lloyd's liability account in 1983 were £384.44m - more than the premiums of £312.43m - a situation that was seen in the 1982 results with underwriting losses of £425.13 on premiums of £346.15m. The bottom line loss in 1983, including PCW, was £285.5m, against £314.39m in 1982. Even excluding PCW, the results were very poor. with losses of £172.16m in 1983 and

Mr Miller points out that the liability account contributed 12 per cent of premiums and 100 per cent of losses. But he saw some hope for improvement in this account, with signs of increasing realism in the US, not only from higher premiums and tighter policy wording, but moves to implement reform of tort law, under which liability litigation Motor insurance is the problem

sector for the UK insurance industry as a whole, and there was no way that the Lloyd's syndicates overall, with almost all their business coming from the UK, could buck this trend. Although an underwriting profit of £34.6m was made in 1983, compared with a profit of £40.13m in 1982, the bottom line showed a profit of just £8.87m against £22.25m in 1982 - PCW had no motor business. Indeed almost half the 41 motor syndicates at

Marks and Spencer, according to Lord Sieff, a former chairman o." the group who retired from the board last October. Lord Sieff, in an interview with BiC Quarterly, the publication of Business in the Community, an organisation which promotes greater involvement between industry and

the community, said Marks and Spencer did not buy British goods out of sentiment but out of a policy

II MR ROBERT MAXWELL, publisher of Mirror Group Newspapers, is planning to print the Daily Mir-ror at Park Royal in west London. Stamford Street, south London, and possibly Watford, north of London as part of the paper's move out of Holborn Circus, near Fleet Street. Mr Maxwell has already announced that printing of the Daily Mirror at MGN's Holborn headquarters will cease on July 1 1987. The company is buying 20 new co-

C THE TRAVEL trade was sharply criticised in the latest issue of Holiday Which?, published by the Consumers' Association, for failing to give a fair deal to holidaymakers whose package holiday has ended

lour presses at a cost of around

CONGRESS yesterday voted by an tion, Mr Ken Cameron, general sec- of the EMA, which represents pow

Total South African boycott urged DELEGATES united in support of a Delegates, almost all of whom call to strengthen the boycott of sported red carnations to signify

for a complete embargo on all trade, voted measures including pressure commercial, financial, cultural and on pension funds to withdraw in-In an emotional debate, speaker employers to stop use of South Afriafter speaker maintained that the can food in works canteens. labour movement would have to Mr Jimmy Knapp, general secre-lead the anti-apartheid campaign in tary of the National Union of Raillabour movement would have to the UK because the Government waymen, said the unions had to ap-

South African goods and to press support for reform in South Africa, vestments in companies with South

had abdicated responsibility for do-ing so.

proach the campaign with the same fervour as Clydeside trade union-

tice in Britain. This should include refusal by workers to handle South

of the Union of Communication theid regime, David Brindle writes. African links and pressure on UK Workers, claimed the Government might be refusing to support santions against South Africa because of companies' business links. Last year, he said, 73 companies with South African links had contributed a total of £1.2m to the Conservative

Vauxhall seeks 1,000 job losses

more than 40 per cent of male salar

ied employees are over 50 years old.

early retirement and voluntary re-

dundancy programme for its Bed-

ford commercial vehicle operations,

asking for 1,700 job cuts from the

In 1979, GM employed 33,300 at

workforce of 7.200.

GM recently instituted a similar

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT VAUXHALL, the General Motors ageing workforce." For example, UK car subsidiary, is to cut its workforce by 1,000 over the next six months by way of an early retire-

The company wants 560 of its 5,600 staff and shopfloor employees to go from the plant at Luton, north of London, and 440, or 7.6 per cent, of the 5,800 at Ellesmere Port in north-west England.

Men over 55 and women over 50 are eligible for the scheme.

Vauxhall stressed yesterday that no employee would be forced to retire, but at the same time management would have the right to refuse an early retirement request from any employee it wanted to retain.

The company is confident it can reach the target "because of the

The latest job losses at Vauxhall are the first element in a programme designed to cut operating

costs by at least 25 per cent over the Vauxhall's chairman, Mr John that, although the company doubled its share of the UK car market to around 16 per cent in the past five years, net losses this year are expected to be greater than the record £47.3m (\$71m) for 1985. The company has been badly

hurt by the rise in the value of the D-Mark against sterling because it imports many built-up cars and components from West Germany.

great that full details have been de-

Vauxhall, which then included the Bedford commercial vehicle operations. Following the latest cuts, total employment by Vauxhall and • Car sales in August, when the Bedford will be reduced to about "D" prefix was introduced to num-ber plates, reached a record for any up in disaster mouth. The last-minute rush was so

Only half of a special survey of layed. However, it is clear that the record of 374,599 registrations holiday had gone wrong were satischieved in August 1983 - the year fied with the outcome of their comof the "A" prefix - has been beaten. | plaint.

MORE THAN 40 YEARS.

1944 Laminated windscreen Safety cage

Windscreen defroster

1956 Windscreen washers 1956 Safety steering column with shear coupling 1957 Front 2-point safety belt anchorage 1958 Rear safety belt anchorages

Front 3-point safety belts/fitted 1960 Padded instrument panel 1965 Brake servo and rear pressure limiting valve 1966 Rear window defroster

Triangle split braking system 1966 Anti burst door locks Roll-over bar in roof Impact-absorbing body sections front and rear

Multi-adjustable safety seat 1966 Impact absorbing steering column Seat anchorage of safety design Rear safety beits fitted

1968 Head restraints front

1968 Heated rear serecti

1969 Inertia reel belts front 1971 "Fasten safety belts" warning light 1971 inertia reel belts rear 1972 Child proof door locks

1973 Side impact members in doors 1973 Crumple zone in steering wheel 1974 Shock-absorbing bumpers

1973 Headlight wiper/washers

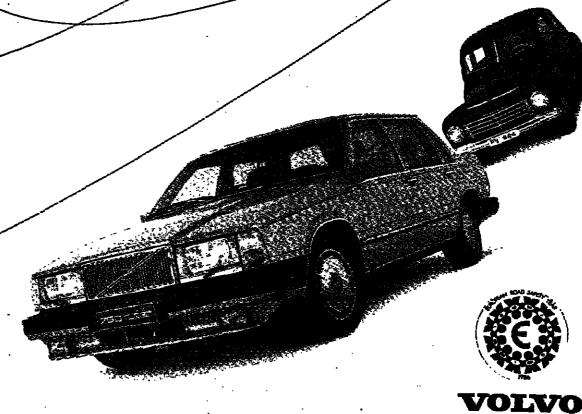
1974 Audio-visual belt reminder

1974 Multi stage impact-absorbing steering column 1974 Fuel-tank isolated and protected from rear impact 1974 Bulb integrity sensors

1935 Stepped-bore brake master cyling 1975 Day running lights 1975 Anti corrosion brake pipes of special alloy Wide angle rear view mirror, eliminating dead zone

1982 Anti-submarining guards in seats 1982 Fuel tank forward of rear axle 1984 Non-locking brakes (ABS)

1985 Electronic traction control (ETC) 1986 Safety belt pre-tensioner



Making Cars Safer

Fall in tourism earnings cuts trading surplus

BY GEORGE GRAHAM

iuinnes

BRITAIN'S tourism earning ment payments to the EEC, at dropped in the second quarter of the year and cut the surplus on the This was £142m less than had current account of its balance of been projected and reduced the payments to less than £400m, the overall current account surplus to Central Statistical Office said yes-

the UK while British residents spent more when they travelled spent more when they travelled abroad, leading to a worsening of the UK's position in travel services.

Earnings on the travel account of the balance of payments fell to £1.27bn in the second quarter from £1.35bn in the first three months of the year, 7.5 per cent less than in the same varied of 1025. Payments

Y Risk the travel account during the quar-cent higher than in the first quarter ter. In the first quarter the net defi-but 3.4 per cent lower than in the cit was only £50m while in the second quarter of 1985 the UK had a surplus of £235m on travel. same period of 1985. Imports of goods were up 1.6 per cent from the first quarter and 2.7

surplus of £235m on travel.

The fall left the overall surplus on invisible transactions, including 1985. Imports of services were down services, interest and profits from 1.3 per cent from the first quarter overseas and transfers such as pen- but up 5.6 per cent from a year earsions paid from abroad or govern- lier.

Zentral Statistical Office said yes erday.

2345m, down 42 per cent from the first quarter and 78 per cent from the second quarter of 1985. The balance of payments on transfers also deteriorated during

the same period of 1985. Payments on the travel account, meanwhile, rose to £1.52bn in the second quarter that stood only 0.25 per cent higher er. than in the same period of 1885. Ex-This left a net deficit of £245m on ports of services were over 1 per

British managers drop in pay league

By Richard Evans

UK BUSINESS managers have dropped from fifth to sixth ranking in the European Community pay league, according to the latest survey by Inbucon, the international management consultants.

France remains in top position but Italy has taken over second place from West Germany when net pay after tax is taken into account. The survey covers 21 countries for pay and purchasing power and 93 countries for personal taxation, and it also looks at comparative living costs in 125 major cities throughout the world.

The European comparisons are based on a managing director of a £19m turnover company and 10 of his European equivalents. In addition to the UK, Belgium

has also dropped a place in the lest year, from sixth to seventh, and ire-land has fallen from eighth to ninth. Spain (fourth), Greece (10th) and Portugal (11th) have maintained their ranking.

Denmark and the Netherlands

have risen from ninth to eighth and from seventh to fifth, respectively. International Taration and Liv-ing Costs, 1986, Inducon Salary Re-search, Knightsbridge House, 197 Knightsbridge, London, SW7 IRN; C135.

member of the Cabinet. Mr Arch-er's main role has been in extensive tours of the country encouraging, and enthusing, local Conservative Party members.

Thatcher likely to boost party machine in election run-up

BY PETER RIDDELL, POLITICAL EDITOR

MR JOHN COPE, the government party manager), is in line to take up

Mrs Thatcher is considering a recommendation from her closest recommendation from her closest advisers to appoint Mr Cope as joint deputy chairman of the party alongside Mr Jeffrey Archer, the novelist.

An announcement is expected early next week as part of the min-isterial reshuffle, mainly of junior and middle-level posts.

Considerable criticism has been expressed recently by both Tory back-benchers and ministers about the effectiveness of Conservative Central Office, particularly following recent poor by-election results.

Mr Norman Tebbit, the Con tive Party chairman, has been closely involved, and interested in, major policy issue in Whitehall as a member of the Cabinet. Mr Arch-

deputy chief whip (parliamentary growing view this summer among party manager), is in line to take up senior Tories that an experienced a key new post of overseeing the organisation of the Conservative Partake a firm grip of the organisaty in the run-up to the general elec- tional side, under Mr Tebbit, in the key pre-election period. This would involve co-ordinating the agency service, marketing and campaign

> Mr Cope has a high reputation at Westminster for his organisational ability. As deputy chief whip, more formally known as Treasurer of the Household, he is responsible for the day-to-day administration of the whips' office and of government business. He was a successful stand-in for Mr John Wakeham, the chief whip, during the latter's lengthy absence after the Brighton bombing two years ago.

Mr Cope is also popular among Tory MPs and would strengthen the links between back-benchers and Central Office.

The appointment of a joint depu-ty chairman alongside Mr Archer is not only a reflection of the problems and criticisms faced by Con-servative Central Office over the past few months but also represents a stepping-up of the prepara-

FARNBOROUGH INTERNATIONAL AIR SHOW

Eurofighter radar bid

system contract.

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

A NEW European group has been set up by UK, Italian and Spanish companies to bid for the £1bn radar system contract for the forthcoming Eurofighter aircraft. Ferranti Defences Systems, of

the UK, is being joined by Fiar of Italy and Inisel of Spain. A West German company is expected to join them later. Each member of this new group is experienced in fighter aircraft

radar development, and the group is well advanced on project defini-tion for its radar, called the Euro-pean Collaborative Radar for the 1990s, ECR90.

The UK Ministry of Defence is expected soon to invite the aero-space industries of the four coun-

tough competition from another consortium comprising GEC Avionics. AEG of West Germany and Hughes of the US. A decision is likely early next year.

The Ferranti Group will face

The ECR90 consortium said at the Farnborough International Air Show yesterday that all the participants would contribute to the joint will have 5 per cent.

tries involved in the Eurolighter tium has been set up to develop a programme to tender for the radar light attack helicopter for the 1990s. land of the UK, Agusta of Italy, Fokker of the Netherlands and Casa of Spain. They will undertake a development of a helicopter called Tonal, derived from the Italian

A129 Mangusta aircraft.

Both Westland and Agusta will each have 38 per cent of the venture, Fokker 19 per cent and Casa

development programme and each
would acquire the ability to manufacture and support the complete
radar. They would also enjoy com
The projected helicopter is intended primarily for anti-tank duties but will also be used for scouting and other roles. It will incorpoplete access to all the technologies rate advanced technology, include composite materials, fly-by-wire and more efficient rotor blades.

Shorts wins \$70m aircraft orders

manufacturer of Belfast, has won aircraft in the world.

Another US airline CC Air of more than 140 aircraft, with delivered than \$70m, Michael Donne writes.

Two of the operators are repeat customers while the third is a new airline which is just starting up in Phoenix Arizona.

In the largest operator of this type of the starting up in aircraft in the world.

Another US airline CC Air of more than 140 aircraft, with delivery ery of the first 100 achieved in less than five years from the maiden flight.

Another major order announced at Farnborough yesterday was by is an order for three aircraft from Saab of Sweden, which has sold two propelling the 18 firm new orders.

Shorts, said that they prought total orders and options for the 360 to more than 140 aircraft, with delivery ery of the first 100 achieved in less than five years from the maiden flight.

Another major order announced at Farnborough yesterday was by is an order for three aircraft which give the propelling the 18 firm new orders. The largest order, for 11 aircraft, is for Simmons airlines of Mar-

quette, Michigan, which already rough, Sir Philip Foreman, chairing spares, w. has 20 type 380s in service, making man and managing director of more aircraft. rough, Sir Philip Foreman, chair- ing spares, with an option on two

line. States West.

the new Phoenix-based regional air- of its SF-340 twin turbo propeller aircraft to Bangkok Airways of Announcing the order at Farnbo- Thailand, worth about \$15m includ-

Royal Mint's profits decline by a third

BY ANDREW TAYLOR

OPERATING PROFITS at the Roy- coins and coinage blanks for over 70 al Mint fell by a third in the year to countries, also manufarintes spe March 31 1986, compared with the cial proof gold and silver coins, miliprevious 12 months, and were nearly 60 per cent down on the 1981–82 level, according to the mint's latest

The mint, which operates on sim-

ilar lines to a government-owned company, blames fierce competition in overseas markets for the decline in profits. Överseas sales last year accour

turnover. The mint, which produces lie capital invested of £7m.

. 1 2-1;

tary and civilian medals and decor-

ations and royal and official seals. Dr Jeremy Gerhard, deputy mas-ter and chief executive, said that annual accounts.

This shows that operating profits after interest fell last year from 25.7m to 23.6m despite a 27 per cent increase in sales from 258.6m to 24.4m.

"We have now been operating a a commercial organisation finance by means of a government trading fund for 11 years," he said. "During this period £43.6m has been paid in ods which represents a sub ed for almost two thirds of total stantial return on the original pub-

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VOLVO

N-power project planned

By David Fishlock, Science Editor

A NUCLEAR power research and development programme costing tens of millions of pounds is being planned by the UK Atomic Energy Anthority and British Nuclear Fuels (BNFL).

The programme will study the commercial potential of the laser process for enriching uranium, as a rival to the gas centrifuge technology for the late 1990s.

The plans were disclosed at the Frantum Institute's annual symposium in London yesterday. Enrichment is a key step in the manufacture of nuclear reactor fuel. Since the early 1970s the Atomic Energy Research Establishment, Harwell, has been conducting laser enrichment research.

The new programme will com-bine and expand Harwell's work with a newer programme begun by BNFL in 1982, on the eng concepts of a commer richment plant

The programme would run until the mid-1990s said Mr Peter Ro-berts, director of BNFL's enrich-

The programm would aim to demonstrate a process module suitable for a laser enrichment factory by the mid-1990s. It would then be possible to com-

pare processing costs with what Mr Roberts claimed was the world's lowest-cost enrichment process, run
by Urenco, the Anglo-GermanDutch company which uses gas centrifuge technology.

Although Urenco has no joint laser enrichment research programme, nationally the three part-

ners are spending about £10m a year a laser enrichment.

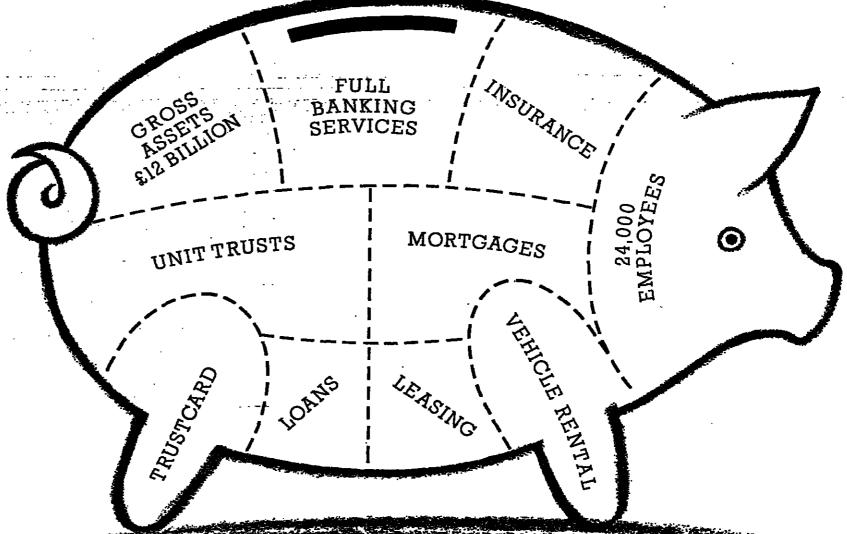
This compares with over £30m a year being spent by the US Govern-ment, which last year chose laser enrichment as its prospective new commercial technology for the late 1990s in preference to gas centri-

This decision has heightened for ropean interest in the laser, as a future competitor for the uranium enrichment market, seen as an annual world market worth over £2.7bn a

Mr John Longenecker, in charge of enrichment at the US Department of Energy, told the sympo-sium that the first runs of the US is ser demonstration module this sum mer had been six times better than expected and had already achieved the expected 1987 performance.

The US enrichment operation is being prepared for private investment and eventually private owner

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BY KEVIN BROWN, SHIPPING CORRESPONDENT

VOSPER Thornycroft, the privaton, which builds frigates, minehunday announced plans to make 304 will go at the Portsmouth yard, employees redundant because of its failure to win two important orders.

cision of the Ministry of Defence am, Hampshire. (MoD) to split a £345m order for three Type 23 frigates for the Royal Navy between the Swan Hunter future, but longer-term prospects land, and Yarrow, on the Clyde,

of winning a £300m order for three Type 21 frigates for the Pakistan navy despite an earlier letter of intent from the Pakistan Government to order at least one of the ships. The order fell through after Pa-

kistan made clear that the detailed specifications for the ships would alter the design so much that it would bear little relation to the Type 21 vessels built by Vosper for the Royal Navy in the past.

The redundancies are the first big job losses since Vosper was bought from state-owned British sortium for £18m in 1985.

The redundancies follows the de- draulic power unit works in Cosh-

Vosper said no further redundan cies were likely in the immediate yard, on the Tyne, North-East Eng- depended on an order for four plastic-hulled minehunters for the Royal Navy expected to be placed in the

> The MoD said the Government was "well aware" of the importance of Vosper Thorneycroft as the lead yard for the construction of this type of mine counter-measures vessel but stressed that all defence orders would be subject to competi-

It was thought unlikely that the MoD would want to see a further weakening in the position of Vosper because of its long experience in the construction of complex specialised naval craft.

Vosper has orders for three mine hipbuilders by a management con-ortium for £18m in 1985. counter-measures vessels and a single role minehunter for the Roy-Most of the redundancies will fall al Navy, as well as an export order on the Woolston yard, in Southamp- for three fast patrol craft.

Barry Riley looks at a proposed international accountancy merger

Global balance is the bottom line

Marwick International and Klyn-veld Main Goerdeler have agreed to merge to form what will be by a large margin the world's biggest accountancy grouping to be called Klynveld Peat Marwick Goerdeler (though national trading names may vary).

Arthur Andersen has recently been at the top of the global league table, with income of some \$1.6bn, but KPMG would have income of around \$2.7bn.

In September 1985 talks between the two firms in Amsterdam ended in failure because of an inability to cope with the complexities of merging groups with operations in many countries. Less than a year previously, the plan to merge by two othhad been spectacularly thrown out such as the US and the UK.

Over the past 12 months, how-ever, Peat Marwick and KMG appear to have decided that the merger has become more attractive. Attitudes may have changed more deci-sively at KMG, which in June suf-fered the defection of its Canadian

It is admitted by KMG that part-ners of Thorne Riddell were disap-pointed by the breakdown of the original Peat Marwick talks and were prompted to begin their own

AT THE SECOND attempt, Peat search for what they saw as a stronger parent organisation. An additional blow was the par-

Saxon constituents. tial defection in March of the Japanese affiliate Sanwa, which has merged with Tohmatsu Awoku, part of Touche Ross International. KMG stresses that firms in Cana-

da and other countries have been Deutsche Treuband in Germany. applying to join its international or-ganisation. But it has nevertheless appeared to come under pressure, prompting merger approaches by several other of the international Big Eight.

Mr Paul Boschma. Dutch chairman of KMG, said on Wednesday that there had been regular contacts with Arthur Andersen during the past four months. But he added: There is so much of a cultural difer accountancy giants, Price Water-house and Deloitte Haskins & Sells, and ourselves that a merger could never have been possible."

Another persistent suitor has been Ernst & Whinney, the poacher of Thorne Riddell. E & W wrote a long letter to KMG and is thought to be upset that its proposals are not going to be formally put to KMG's partners. And within the past couple of days there have been last minute approaches from the chairman of Deloitte, Haskins &

a giant international firm which vas not dominated by its Anglo-

All the other major firms have UK or US origins, but the core of KMG was its continental European membership, including Kleinveld Kraayenhof in the Netherlands and

These are national leaders. whereas the group's US affiliate, Main Hurdman, is small by the standards of the US Big Eight, and its UK firm, Thomson McLintock, ranks only at number 10 in the British accountancy league table.

Since 1979, KMG has developed successfully in many regards, pick-ing up a total of 57 national firms around the world, but the weakness in the US has become an increasing As Mr Boschma put it: "We have

seen the needs of our clients becoming much more international and we realised that we needed accelerated development and more balance in our worldwide coverage. In contrast, KMG has become an increasingly attractive target for the international Big Eight, which tend to be underrepresented in Eu-

The logic of the proposed merger is therefore that it will create the In a sense, the agreement by only international firm which is KMG to a merger with Peat Mar-wick represents a failure of the and Europe, at a time when many original ambition of KMG's nine European corporate clients are con-

founding firms in 1979 to establish tinning to make extensive acquisitions in the US.

Delicate negotiations have produced an elaborate proposed structure for the new giant firm, which will have 58,000 partners and staff worldwide.

The headquarters of KPMG will be in Amsterdam, KMG's existing base, and the firm will be governed from among former KMG and Peat Marwick partners. The first chair man would be from KMG and the first executive partner, responsible for day-to-day management, from Peat Marwick.

The combined organisation would audit 1,425 out of the world's 6,000 largest companies, more than any other firm. It would sudit 216 out of the largest 1,000 companies.

Proposals will be considered by national firms within the next few months though the date may vary from country to country. Substantial majorities in favour will be required: in the UK for instance, 75 per cent of Peat Marwick's partners will have to vote in favour, and 80 per cent of KMG Thomson McLin-tock's.

The intention is that this approv al process will be completed world-wide by the beginning of 1987. Implementation, involving such developments as the adoption of common trading names, would follow, probably within the first three

Nationwide society to create network of estate agencies

BY DAVID LASCELLES, BANKING CORRESPONDENT

tion, a national estate agency net-work with up to 350 offices. The move would make it the secondlargest UK estate agent and high-light the expansion of societies out-side their traditional business

The Nationwide - the UK's thirdthe new Building Societies Act comes into force next year. The act will grant societies powers to engage in new activities and perform more banking-type services. The Nationwide is the first big society to detail its plans for the changes.

Mr Tim Melville-Ross, the chief books and guarantee cards, direct agency busin debit and bill-paying through automatic teller machines, and unsenew personal equity plans (Peps) the society's ability to make mort-proposed in the last budget, pension gages. plans and unit trusts. It will also provide insurance services.

THE NATIONWIDE building soci- Mr Melville-Ross said that the society is to develop, through acquisi- ety would not try to use them all im-

The Nationwide does not plan to become a public company stock exchange listing. Mr Melville-Ross said that the society's present mutual status was "beneficial to both the society as a whole and our members individually." The society largest building society - listed es- would also not enter the conveyanservices it intended to offer when

The Nationwide has already reached provisional agreement to buy 20 estate agencies with 260 offices and expects to reach 350 early next year. These include Donald Storrie & Co, Scotland's largest estate agents with 29 offices. Mr Dogeneral manager, said that other naid Storrie, the firm's chairman, services would include cheque will head the Nationwide's estate

Mr Melville-Ross declined to disclose how much the Nationwide cured lending. On the investment would spend on its agency network. Side, the Nationwide will offer the But the investment would not affect

gages. Earlier this year, Hambro Countrywide became the UK's largest es-The Nationwide will need the aptate agents when Hambros, the proval of its members to use these merchant banking group, merged powers, and this will be sought at a with Bairstow Eves and Mann & Co special meeting on October 17. But to form a group with 389 offices.

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BA forced to reroute Hong Kong service

DESPITE extensive advertising in minating what BA believes has ways' newest long-haul route from isting route.

Manchester to Hong Kong, via Munich, Dubai and Bangkok, has thern English and Bavarian travell-failed to attract enough business ers will lose their direct routes to

the north of England, British Air- been the major drawback of the ex-

travellers to be continued in its the Middle East and Bangkok. Munich-Bangkok had proved success-Tourist and cargo bookings have ful, a BA spokesman said, but more been up to budget, but super club travel through to Hong Kong would and first-class passengers have not have been needed to keep it on. provided the profits BA needs to The Manchester route was original

make the twice-weekly route pay. nally justified in terms of demand The service started last November. and BA's assertions that London It is being discontinued from the Heathrow was full. Going via Lonend of October and replaced with don does not square with this, and one starting in Manchester but conthe BA spokesman was unable yestimized the starting of the starting that the starting that the starting of the starting that the starting that the starting of the starting that the starting that the starting of the starting that

the north of England as a blow to start on Tuesdays and Saturdays to Manchester airport's role as Brit- arrive in Hong Kong by 440pm loain's northern hub although BA is cal time the next day – would still stressing that, because through tra-vellers will not have to get off the BA's scheduled Tristar service beaircraft, the stop will be no differ-ent from landing in Munich. It will BA also thinks the new route will

than a Tristar 200.

The critical sales point for the ical volume market here might new service is that with one stop rather be Manchester-Islamabad less, it will cut the present travell-for the north's large Pakistani coming time by 2 hours 15 minutes, eli-munity.

AE car engine designed to cut exhaust fumes

A NEW TYPE of combustion system which may meet Europe's planned group of ex-naval scientists, has car exhaust emissions standards been exploring the concept for without the need for catalysts is unabout 10 years. It uses acoustic

search company.

AE acknowledged that the system, which involves a radical piston design and induction changes, was still five years from commercial production, even if no snags were found in the course of further devel-

Sir John Collyear, AF's chairman.
AE said that testing of a modified
1.6 litre Ford Escort engine at the
Maryland laboratories of Sonex Research, AE's US partner, had al-ready demonstrated reduction of

Similar testing is being carried out by AE at the UK's Motor Indus-

der joint development by AR, the principles in tandem with chemical UK component maker fighting combustion technology, it is takeover approaches from Turner claimed, to scavenge and clean examt Newall, and a US-based rethan in conventional engines.

AE sees a key element of the system being the fact that it should provide a "generic" solution to cleaning up exhaust pollutants. "Lean-burn" engines are being de-veloped throughout the motor industry as complementary to expensive catalyst systems. The problem But definitive tests to determine whether the standards can be met with them, however, is that each type of engine requires prolonged these tests prove successful, the proplem with them, however, is that each type of engine requires prolonged computer-based research to find a potential market is enormous, "said discrete "lean-burn" design that type of engine requires prolonged computer-based research to find a

In

works. The AE/Sonex system should be applicable to all engines, at a likely cost, said a spokesman, of around £25 a unit.

hydrocarbons, carbon monoxide and nitrous oxides to below US federal CVS3 and European ECE 1504 ing to do with fortifying AE's image in the context of the hotly contested Turner and Newall bid.

out by AE at the UK's Motor Indus-try Research Association proving equally strengthen the other party's ground at Nuneaton, Warwickshire.

Book piracy directive

BY RAYMOND SNODDY

to issue a directive to its embassies around the world urging them to give priority to protection of Brit-ain's information industries, such as publishing, from piracy.

The directive will be issued by the Foreign and Commonwealth Of-fice but has been drawn up in coniunction with the Department of Trade and Industry.

The document has already been

that British publishers could be los- discuss the contents.

THE BRITISH Government plans ing as much as £100m a year from piracy, particularly of textbooks.

The DTI has been looking seriously for some time at ways of pro-tecting all forms of "intellectual property" from piracy. Some heat has been generated in the argument following the visit of a delegation from the Publishers Association tion to Indonesia, where British textbooks are illegally pirated.

The delegation formed the view that the British embassy there did the document has already to the drafted, and it is expected to be sent to ambassadors in the relevant areas, particularly the Far East "imfollowing the visit, the association of the English Office urg-

tion wrote to the Foreign Office urg-The directive follows lobbying by ing a more vigorous approach. The organisations such as the Pub- Foreign Office said yesterday a letlishers Association, which believes ter had been received but refused to

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Shareholders are aware that in the third quarter of the 1986 financial year underground production was adversely affected as a result of labour disturbances. Consequently a greater tonnage of lower grade surface material was treated in that quarter and the recovered grade declined to 4.0 g/t.

Higher underground production in the fourth quarter of the financial year together with a lower throughput of surface material resulted in an improvement in the recovered grade to 4.4 g/t. The quarterly report indicated that at 4.4 g/t the recovered grade was still below expectations.

Shareholders are advised that it is now expected that the recovered snareholders are advised that it is now expected that the recovered grade will be approximately 4.0 g/t for the current financial year. The decision to mine to a lower grade has been taken as a result of the recent significant increase in the gold price together with the planned implementation of trackless mining techniques, both of which allow lower grade ore to be mined profitably.

In the shorter peace are to be mined production recovers to the levels achieved prior to the labour disturbances and as trackless mining gradually replaces conventional mining in certain areas, a greater proportion of lower grade surface material will be treated. It is expected, nonetheless, that during this period the grade will be maintained at approximately 4.0 g/t.

Further details will be made available in the Chairman's Reviethat will be published at the end of September. Johannesburg, 4th September 1986

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SECURITIES MARKETS

Philippines stocks come back to life

BY SAMUEL SENOREN IN MANILA

THE PHILIPPINES' stock following a drastic fall in in-market has come back to life terest rates on savings and time after nearly six depressed years deposits. These rates had shot during which a large number of up in the preceding two years brokers were driven out of as the banks were forced to business. The market is not compete with high yields on as vibrant as it used to be out government securities. encouraging enough to keep the trading floors of the two stock securities with annual yields as

trend is generally traced back to the fall in February of President Ferdinand Marcos whom most businessmen perceived as the obstacle to a recovery by the Philippines' alling economy—and the subsequent rise to power of Mrs Corazon Aquino. But Marcos was not entirely to blame for the near demise of the stock market. Its performance had been depressed since 1980 which hurt a number of banks. The Second, the highly lucrative but illegal US dollar parallel market, where investors took refuge to cushion a fall in the value of the peso, has dried up. The peso has stabilised, in the process significantly reducing demand for dollars.

Third, the casinos which used to be another haven for investment funds, have been temporarily closed by the Government investment.

Share prices hit the bottom in 1983 with the assassination of former Senator Benigno former Senator Benigno Aquino, the opposition leader and husband of Mrs Aquino. The killing precipitated a During the first half of this in Mr Marcos being ousted.

Several factors have fuelled to 4.65n pesos (\$224m) the two exchanges jumped five-the stock market's upturn. First, investment funds have been switched into the market only 1.45n pesos but involved a last week's close of 187 pesos.

Trails sector accounted for 91.3 from 202.5m pesos.

San Miguel, another Blue Chips, The chip, also showed a spectacular price rise from 13 pesos in the mining and oil sectors have precent of value of trading and husband of Mrs Aquino. One leader the mining and oil sectors have precent of value of trading and husband of Mrs Aquino. One leader the mining and oil sectors have precent of value of trading and husband of Mrs Aquino. One leader the mining and oil sectors have precent of value of trading from January to June, with the Chip, also showed a spectacular price rise from 13 pesos in the mining showed a net obsent to be prove the first half of this week.

PLDT and San Miguel, another Blue from 13 pesos in January to 65 pesos by last the week.

PLDT and San Miguel, which week.

PLDT and San Miguel, which week.

PLDT and San Miguel, which are among about a dozen accounted for 91.3 from 202.5m pesos, on ales of 2.6bn pesos. San Miguel, another Blue from 13 pesos in the mining and oil sectors have from 13 pesos in the mining and oil issues.

The oil issues have also not moved: local oil exploration, active in the late 1970s, has approved by the end of the year, industrial issues, have one thing political instability during the noved: local oil exploration, active in the late 1970s, has approved by the end of the year, industrial issues, have one thing political instability during the noved: local oil exploration active in the late 1970s, has approved by the end of the year, industrial issues, have one thing political instability during th

exchanges busy for the three-hour daily session.

The Manila exchange is the older and accounts for the bulk of trading. The smaller Makati national Monetary Fund. Banks ever applying mainly to exchange is in the suburban financial district of Makati.

The beginning of the bullish trend is generally traced back to the fall in February of President Ferdinand Marses but illegal US dellars and oil sections.

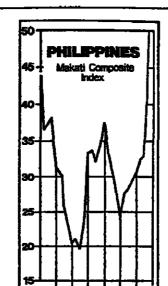
The smaller Makati national Monetary Fund. Banks were obliged to raise interest rates to prevent depositors from withdrawing funds—a move which hurt a number of banks trial Blue Chips. The Second, the highly lucrative but illegal US dellars are interest rates to prevent depositors from withdrawing funds—a move trial Blue Chips. The

A bullish trend has developed in the Philippines share market since the fall of President Marcos in upturn also lacks a major element-sizable foreign

market. Its performance had been depressed since 1980 largely because of bad business conditions. The market outlook was made even bleaker when commodity prices started to slide.

Share prices hit the bottom in 1983 with the assassination of former Senator Benigno of former Senator Benigno of some conditions. The market outlook was made even bleaker when commodity prices started to slide.

However, the bullish trend has been selective, applying generally only to commercial and industrial Blue Chips. The mining and oil sectors have form January to June, with the form January to June, with the balance spread thinly among price rise from 13 pesos in January to 65 pesos by last



ment on suspicion that they were either owned or controlled by Mr Marcos or his close business associates. Since the Government take-over three months ago, both

have reported hefty increases in revenues and income during the first quarter which tended to strengthen suspicions that the

Acoust a dozen other active out of total external debt of issues come from the mining and oil sectors. All told, there are less than 30 issues which are still traded out of the more than the stock market.

But that cannot be account to the more than the stock market. 150 companies listed on the inges in 1984.

The mining sector, which used to be the most actively traded stocks until metal prices plunged, has not shown significant movement mainly because its disastrous financial performance diving the nest year. ance during the past year.

In 1985, three large mining

The concentration of activity on a few issues, according to Mr Jaime Ongpin, the Finance Minister, has ceased to make the stock market an accurate barometer of the economy. Overall, the bullish trend Overall, the bullish frend lacks a major element — sizable foreign investment.

In theory, a Government plan former managers might have to swap equity in selected siphoned funds from the company to personal accounts of its foreign commercial debt — established at about \$14bn

more liberal and attractive package to lure creditors and potential investors to take up

such deals.
Foreign investors also need to be convinced that Mrs Aquino's Government will last long enough to restore political stability to the Philippines.

Many foreign businessmen in

Manila say they are still confused on what directions the

Aquino Government is taking In 1985, three large mining houses which used to be consistently profitable were among the top 10 lossmakers listed by the Philippine Securities and Exchange Commission.

Atlas Consolidated lost 1.5bn pesos on sales of 2.6bn pesos.
North Davao Mining was in the red by 1.5bn pesos, and Maricopper Mining showed a net loss of 188m pesos.
The oil issues have also not moved: local oil exploration, active in the late 1970s, has ground to a halt, a victim of solitical instability during the



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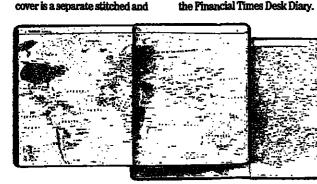
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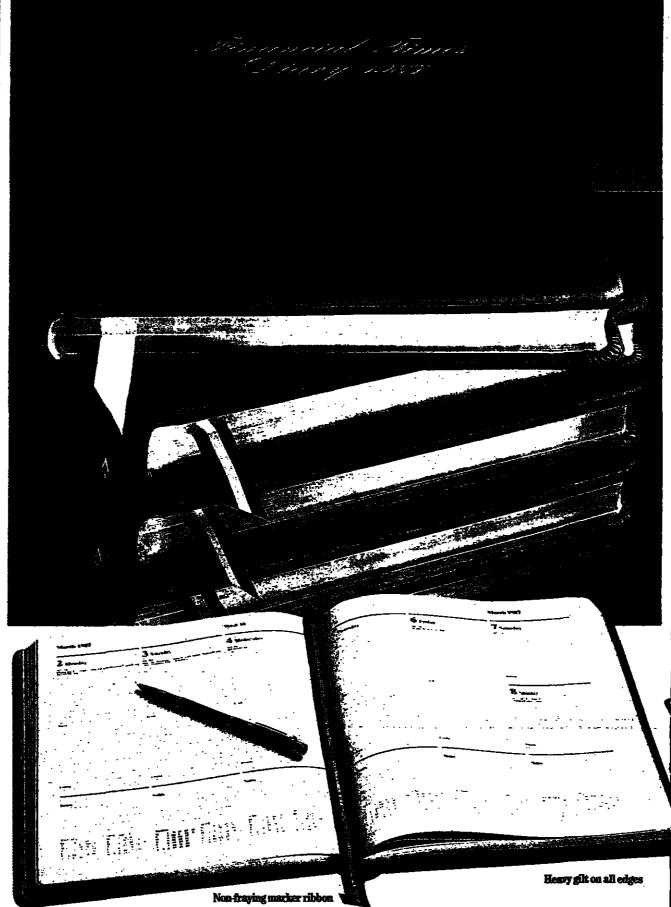


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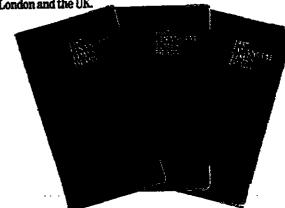
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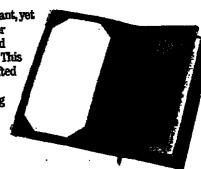
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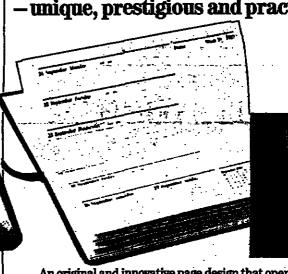
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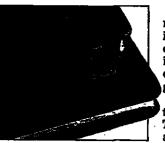


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MANAGEMENT

SKALA-METRO, the flagship department store of Hungary's department store of Hungary's largest and most adventurous retail chain, is definitely not Marks and Spencer. The price-quality relationship is just too far out of balance. But for hundreds of thousands of tourists in Budapest from the rest of Eastern Europe it is as close as they will ever get to a Western-style department store.

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store.
The Easterners do most of their shopping with wistful gazes, however, because of the depressed exchange rate for their currencies to the Run-garian forint. East Germans get only Fts 6.10 for Mark 1. compared with the Fts 20 which DM 1 will obtain for West

How, the East Germans wonder, can an average Hungarian possibly afford the goods sold by Skala-Metro?

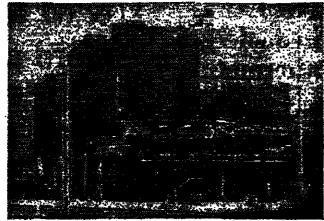
The fact is that most Hungarians cannot afford the displays of Benetton clothes and Western household appliances from the earnings of one job. That explains why so many of them hold down a second and even third job. Hungarian economics officials in turn moan that this is why productivity is barely rising.

The department store's parent, Skala-Coop, began life 11 years ago as the owner of one modest emporium in Budapest. Today it has eclipsed the starchy state-run retail chain and has branched out into the import-export business (it has foreign trade rights along with some 200 other Hungarian comsome 200 other Hungarian companies), industrial production and most recently fruit and vegetables.

This past winter, Skala-Coop's management declared war on a shadowy group of illegal private wholesalers which had jacked up prices of hothouse tomatoes up prices of notionise tomatoes and paprikas to an astronomic Fts 400 a kilo in February. Under Hungary's economic re-forms prices of most goods are freely set and this has led to 7 per ceut inflation this year (unofficial estimates would put it nearer 14 per cent). t nearer 14 per cent).

Skala-Coop, which last year purchased the bankrupt vegetable and fruit wholesale-retail chain of Zöldert, decided to import 1.500 tonnes of tomatoes from North Africa and to sell them in its newly-acquired produce chain at Pts 99 a kilo.

Dr Mihaly Muszbek, Skala-Coop's economic manager, says management was convinced that only "real competition" and not a state crackdown would put the produce massa on the desensive. It was rumoured in Budapest that several of the illegal wholesalers were Zöldert employees who bought



Hungarian chain transformed by Western links

Leslie Colitt: explains Skala-Coop's growth

middlemen at a hefty profit. With Skala-Coop undercutting their prices, the illegal private wholesalers lost a great deal of money but continued to do business on a smaller scale.

The motive behind acquiring influence the market when there were shortages or over-

supply.
"If there is a shortage we must import very quickly,"
Muszbek says, "and if there is an oversupply we have to

export."

Skala-Coop wants to make long-term import-export contracts with. Western producers and buyers so that it can provide large quantities of fresh produce to the home market in the winter while exporting the winter while exporting Hungarian produce in the summer. Plans are afoot to complete a deal with Western partners utilising Hungary's numerous thermal springs to provide heat in order to reduce hothouse growing costs by about 25 per cent.

At the same time Skala-Coop wants to convert the chain of 500 uniformly austere Zöldert shops in Budapest into three categories along typically Western lines. They would carry the same produce but at varied prices because the quality, packaging and design of the shops varied. Previously the same product sold at exactly the same

price throughout Hungary-which is still true elsewhere in

Skala-Coop is owned by more than 200 consumer co-opera-tives in which some 1.5m Hun-garian households own shares. Last year's turnover was Ft3 25.6bn (\$512m) including Zöldert's Fts 4bn in sales. Earnings before taxes were Fts 829m of which the state siphoned off about two-thirds in taxes. This year the company is aiming for a 15 per cent increase in turn-

Of the 68 department stores in the Skala-Coop chain, six are wholly owned and the rest franchised. With 46 per cent of Hungary's department store sales. Skala-Coop was considerably more profitable than the state chain of 50 department stores because of its more efficient and aggressive management.

economic reforms, each Skala department store is financially and managerially independent

profitability. He brought Skala-Coop into the booming Hungar-ian bond market in 1984, selling Fts 136m worth of bonds to individuals and other companies in three days. He has now set the company's sights well beyond department stores where it is content with its present market share.

"We fought hard against monopolies in Hungary and don't want to be one ourselves." says Muszbek. Instead, Skala-Coop wants to

expand its industrial activities even further, especially in joint ventures with Western partners. Skala World Trade, which it formed several years ago, is the vehicle for achieving this end. It had sales last year at the several has expended. of Fts 5bn and has expanded by about 50 per cent annually.

by about 50 per cent annually. It concentrates mainly on food, clothing, industrial consumer goods and chemicals with imports making up 60 per cent of sales. Istvan Hauck, foreign trade manager of Skala-Coop, says that in competing with other foreign trade enterprises which are larger and more specialised, Skala-Coop tries to concentrate on a narrow market segment which is uninteresting to the hig companies or has ing to the big companies or has escaped their notice. Skala-Coop escaped their notice. Straig-coop-last year was one of four com-panies to become a Magyarised version of a Western trading house and is now able to decide on its own which goods to buy and sell abroad.

and sell abroad.

The company is preparing a joint venture with Standard Electrikk Lorenz (SEL), a subsidiary of ITT, in West Germany, under which Skals-Coop would assemble some 50,000 colour TV sets a year and 10,000 video recorders initially. Half would go to the West with the rest remaining in the home. the rest remaining in the booming domestic market for home electronics.

In moving into the industrial sector, Muszbek explains, the company does not want to buy up existing Hungarian firms but to establish new ones using the latest technologies.

Negotiations are taking place with another Western company to form a joint enterprise for fruit fuice production and distribution utilising Zöldert's purchasing network

Several of the joint ventures Skala-Coop has formed are aimed at supplying the Hun-garian market with Western goods. Fotex, together with an department store is financially and managerially independent while wages, technology and amortisation are still centralised.

Skala-Coop's chief executive, Sandor Demjan, who heads the Budapest Communist Party committee and who is one of the rare party officials to run a central share and which distriction are still company in Hungary takes a backseat to no-one in his drive to promote efficiency and course. Accounting systems

How old fashioned analyses can scupper modern manufacturing

By NICK GARNETT

MANY manufacturing com-panies in Europe and the ducted on Japanese accountancy US are making some pretty awful decisions on retooling and reorganisation because the conventional accounting

methods they use are now grossly unsuitable.
Accountants employed by manufacturing companies may be getting their sums right when analysing the impact of when analysing the impact to capital investment and techno-logical change. But an increas-ing number of European and North American managements believes that in terms of what is good for their companies the sums are actually hopelessly wrong.

Companies considering or evaluate the performance of companies continue to measure and continue to measure and companies considering or these operations using accounting systems rooted in the 1910s. Then the mathematics of direct labour costs and the efficiency

of materials and machinery were quite different from what they are—or should be—today. At its simplest, this argument says that many of the newer standards of measuring manufacuring performance — inven-tory reduction, flexibility to meet changing customer requirements, quality employee morale—form no part of an accountant's brief.

The accountant just ignores them in his or her cost equations in what has become known as "accountancy lag"—the failure of accountancy procedures to keep up with changes in the real life world of production that they are supposed to represent.

As a result, companies need-lessly delay or cancel decisions on reinvestment, misunderstand on reinvestment, misunderstand the impact on themselves of re-tooling or altering production processes once the money has been spent and take unsound decisions about where equip-ment should be housed.

ment should be housed.

A recent seminar on manufacturing organised by the Financial Times pinpointed some accountancy pitfalls facing European (particularly British) and North American companies even without this added mill-stone of accountancy lag.

Little research has been con- enhanced workforce capabilities. and costing practices but more than one speaker identified decisions taken by Japanese manufacturing companies which showed that they do not attempt to wrestle with the same cost equations as their non-Japanese competitors. The underlying basis for capital investment and reorganisation decisions in Japan appears to be the requirements of volume production rather than "pay back" times.

For example, in taking a decision on whether to build an automated dockside warehouse, a Japanese car company it is targeting for its models, how many cars it will make and what is the best way of offloading that volume (usually very large) of cars into the holds of

Payback

If the answer is the automated warehouse it is only then that the company dives into the detailed business of costing the project to see how it can be achieved at the lowest price. The concept of the payback time seems virtually to have a nonexistent role.

Volume-oriented production thinking and the way it has seeped into Japanese costing methods already puts many Western competitors at a disadvantage.

However, a paper by Robert Kaplan Professor of Account-ancy at the Harvard Business School, points to accounting lag and the "obsolescence" of cost and the "obsolescence" of cost accounting systems as a general drag on proper decision-making oven without these other competitive headaches "Existing cost accounting and

management control practices are unlikely to provide useful indicators for managing the indicators for managing the firm's manufacturing operations," Kaplan says. "In particular traditional cost measurement systems will imperfectly
reflect, and with considerable
lags at best, the dramatic
increase in manufacturing
efficiency and effectiveness that
occurs when firms achieve total

"No system of which I am aware captures the benefits from short product launch times or from the flexibility afforded by computer-controlled proby computer-controlled pro-duction systems. Further, short term profitability indicators do not signal the decrease in the value of the firm when firms reduce their discretionary ex-penditures for developing new penditures for developing new products for improving produc-tion processes, for maintaining the skill, loyalty and morale of the workforce, for expanding distribution networks and cus-tomer awareness, for develop-ing improved software for production and information systems, and for maintaining and improving their physical nd improving their physical capital resources.

"On the contrary, existing financial accounting systems signal short-term increases in accounting profits when firms decrease their economic wealth by forgoing investments in their long-term information and productive contral?" and productive capital."

Kaplan bases some of his arguments on a study of several US companies. One company which makes DIY tools had revamped its manufacturing following a study of Japanese production methods. A form of Just In Time had been introduced, much faster tool changes and use of small batch produc-

The company's accounting system, though, had not been modified. Variations in production were computed by aggregating production at each plant so that the significant cost savings achieved on making particular products as against others could not be extracted from the data.

Detailed standard times and costings were being maintained for a sequence of procedures carried out manually but none of these procedures existed any longer—they had been com-bined into a single machine

Another company in the study makes computers. Its direct labour represents less than 10 per cent of total costs. efficiency and effectiveness that The company uses a traditional occurs when firms achieve total cost accounting system, accuquality control, zero work-in-mulating all overhead expenses progress inventory systems, and into large cost pools.

These include overhead and indirect expenses for a range of functions including manufacturing engineering, test and quality engineering, machinery depreciation, manufacturing support and financial services. These cost pools were allocated to production departments on an arbitrary basis and then an arbitrary basis and then translated into direct labour cost per hour.

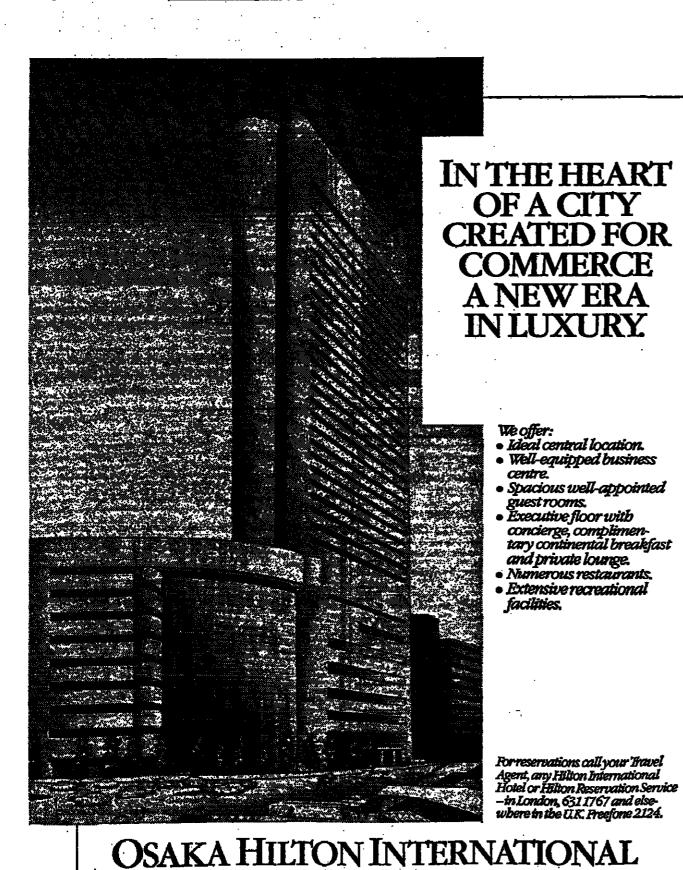
Applying overhead and indirect costs on direct labour hours resulted in managers concentrating their attention on controlling and improving direct labour utilisation, even though direct labour was such a small percentage of total manufacturing costs.

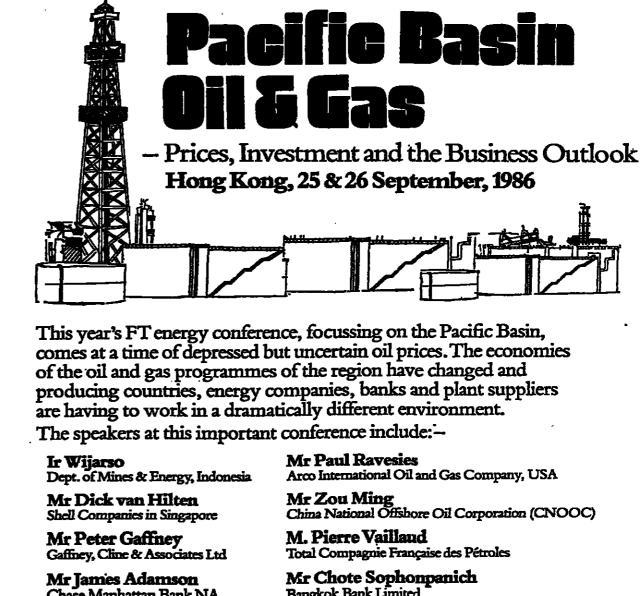
Reasons for accounting lag include the lack of adequate models to copy from, the prevalence of computer-based accounting systems which are difficult to modify fundamentally and the entrenched decades-old emphasis on financial accounting even among management accountants. The management accountants. The most important reason, though, says Kaplan, is that senior company management has not emphasised the need to improve the relevance and responsive-ness of its management accounting systems."

Relevant

The paper's conclusions are that internal accounting proce-dures can and should be dif-ferent from those used to prepare financial and tax state-ments and that the accounting system should be continually scrutinised so that it remains relevant to manufacturing operations during periods of technological and organisational change.

The one inescapable conclusion is that accountants should work much more closely with manufacturing managers and product and process engineers. ● Accounting Lag: The Obsolescence of Cost Accounting
Systems. Robert S. Kaplan.
Published in The Uneasy
Alliance — Managing the
Productivity / Technology
Dilemma, Harvard Business
School Press. Available through
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Type of Business

Land Securities leaves its footprint

Britain's biggest property company with property assets of £24bn, this creates a particular times—and being seen to do so.

Stockley's siege of Stock Conversion, and the latter's eventual fall to a takeover bid from P & O, has taught the sector that no-one is safe. So the big companies have to perform, and move into fresh fields, big footprints mean big footbolds the new markets, and the disturbance to markets that

It happens that, this week, Lands' managing director Peter Hunt, can say that his Raven-side Investments subsidiary has secured a foothold of more than £100m in retail warehousing. in terms of investments either

That gives the company access to fast-growing tenants in convenience durable goods with the furniture and do-ityourself trades represented by the like of MFI, Harris Queensway, B and Q or W. H. Smith Do-It-All; and, potentially, to Marks & Spencer, Habitat, Boots and other "comparison" retailers now on the way out

This investment is not big enough to make much impact on Lands' performance; some £100m represents just 4 per But it is big enough to affect

e li

THE TROUBLE with being a the embryo retail warehouse change the game; and that is giant is that you make hig, hig footprints. For Land Securities.

Ravenside a portfolio twice the He says that the accent is complete the says that the accent is complete to the same accent to the same retail warehouse element in Peel Holdings, the trend-setter in this new sector of the shopping market.

Ravenside last detailed four acquisitions March. They were in Dundee, Wolverhampton, Dewsbury and Bristol, adding £7.7m to its portfolio. This week Mr Hunt disclosed five more recent deals: in Coventry, Wrexham, Swansea, Christchurch and Stockton-

on-Tees, totalling £13.4m.
Agents Clive Lewis &
Pariners, well known in the
hurly burly of the retail
property market, acted for
Ravenside throughout. It happens that Clive Lewis, their midsummer retail report two months ago, picked out one or two problems in

retail warehousing.
They said that steadily reducing yields for retail warehouses reflected the increased demand from "the institutions for this type of property invest-ment. "Indeed," they said, they said, there is strong evidence to suggest that yields in the region of 7 per cent have been achieved in the South East area." They went on to question whether these low yields were always appropriate.

Problems of scale

He says that the accent is coming off the purchase of built or planned developments, and on to in-house development, funding deals and the like.

Through Ravenside Investments," he says, "we set out to build a solid portfolio rapidly in anticipation of yields harden ing, which is now happening. We shall still continue to acquire good out of town shopping and retail schemes but we want to increase our stock of sites with retail potential and are stepping up our search for suitable opportunities."

It happens, again, that retail warehousing is nowhere more clustered so far than in the plans for Pearson group and adjoining RTZ land at West Thurrock, Essex, north of the Dartford Tunnel and alongside the M25 motorway. Land Securities, if nothing more, is conscious of the possibilities of the location

RTZ has planning permission for three proposals involving pre-lets to MFI/Allied Carpets. Courts, the furnishers, and B & Q, the Woolworth do-it-yourself subsidiary; but it has extra acreage which, it says, could take its total space up between 450,000 and 500,000

Pearson Lakeside, with a 100,0000 sq ft Tesco already built on site, has another Given Lands' problems of built on site, has another scale, and the market's apparent 300,000 sq ft under way for comindigestion, somebody had to pames including Texas Home-

care, Habitat and W. H. Smith says, "with most tenders that I Do-It-Ali; and its managing know of where food operators director, Ray Pledger, this week have been in on the act, it's acknowledged the Land Securibeen a difficult job to beat ties interest in the project.

Funding alternatives

Whether the interest goes further will be a matter for the Pearson board, he said, but it was generated by Pear-son's own exploration of the funding market—"to look at the options," as Mr Pledger puts it—in the comparison of self-funding, outside funding and partnership alternatives.

Meanwhile, there is the inhouse development alternative, and Mr Hunt admits to bidding and air fruit admits to bidding for a few of those. Ravenside was named only last week in a short list of nine developers for "The Meadows," Camberley, a 76.4 acre Ministry of Defence site on the borders of Berkshire, Surrey and Hampshire and right, alongside the M3

People are getting excited about these tender situations. They have a right to be. Neville Pearson, a partner in Healey & Baker which is advis-ing on the disposal of the land and on planning matters, said last week that 30 possible developers had registered interest in the site

The short list includes Asda/ MFI, J Sainsbury and the Marks & Spencer/Tesco pairing which, Mr Hunt acknowledges, means

The food trader, he notes, will pay opportunity cost rather than rental value. "There are not that many good food superstore sites around," he says. Mr Hunt also notes that a shed's value as a food supermarket is higher than that of durables or DIY, simply because food operators can afford higher

not a standard retail warehouse site, as talk of a £35m price for the land suggests. Some £15m for a prime, south eastern motorway site of 20 acres is much more of a super-marketeer's proposition.

Healey & Baker envisage development of around 250,000 sq ft of retailing, including two 100,000 sq ft superstores linked by 50,000 of comparision retail-ing. They say that the chosen developer may eventually sell off some of its excess acreage for residential development. This is beginning to sound more of a property developers' choice.

However, Mr Hunt finishes on retailers' firepower. "Marks & Spencer and Tesco together are a formidable combination, he says. "It is not easy for them to find a site that big. with all the carparking that it entails. They will obviously be tough opposition for Lands in prepared to pay for the privi-the tender. "Historically," he lege."

HK Land in demerger aftermath

NIGEL RICH, chief operating officer of Hongkong Land, Hong Kong's largest property invest-ment company, commented this week on prospects for the com-pany as the demerger proposals for its Dairy Farm subsidiary went before shareholders.

"Hongkong Land's debt will be reduced by some HK\$1.50n (£129m) as a result of the trans-fer while shareholders' funds will remain unchanged at \$160n (£1,380n)," he said. "In terms of shareholders' funds Hongkong Land will remain Hong Kong's

He said that the reaction of Hongkong Land's lenders to the demerger proposal has been most encouraging. Negotiations have just been concluded which improve further the overall pricing and significantly extend the terms of the total loan port-

fr kich concluded that time committed facilities covering the group's projected borrowing requirements into the early 1990s are now in place. The company, said chairman and managing director Simon Keswick, now looks forward to have induced matching its cover. being judged mainly on its asset

It is an ironic comment on the parochialism of the world's property markets that being judged mainly on asset values has been the death of one or two good property companies in the UK market,

L&M to drop Oxford plan

Metropolitan Estates 527, with regret," that the company is mable to proceed with the proposed redevelopment of Gloucester Green,

Oxford. The company says that this decision has been taken following the recent threat of legal action by the previously selected developers against London and Metropolitan over the ownership of copyright of the development plans and the use of information alleged to be confidential to the previous developer.

Any such action, it says, could lead to indefinite delays and would make the scheme financially "unviable" for London and Metropolitan.
L and M is owned jointly by
LET and Balfour Beatty, a
subsidiary of BICC.

The iong leasehold interests of the Stewart Wrightson Group and Sunley Holdings in Fountain House, 130 Fenchurch Street in the City of London have been acquired by Norwick Union for £271m of which £19.3m is payable to Stewart Wrightson Surveyors Edward Erdman advised the vendors throughout the negotiations.

• Debenham Tewson and Chinnoeks' latest report on industrial rents and rates says that, since 1985, rents in the majority of the 24 loca-tions in the DTC survey have

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In a sector recently "un-accustomed to growth" the past year has seen an improvement in the state of the let-ting market in the South East and some of the larger centres in the Midlands, says the firm, with supply and demand moving into a closer balance than that ex-perienced for most of the last five years.

DTC says that if interest rates continue their drift down there will be further inducement for industrialists to resurrect investment plans forestalled by the recession. London & Caltrust Properties, joint venture company of London & Metropolitan and Caltrust, has signed up C & A as anchor tenant for its £21m 190,000-sq-ft, fashion - orientated Kyle Centre in High Street, Ayr.

Finor Europe, on its way to a Docklands headquarters, has disposed of its 120,000 sq ft of space in the Euston Square complex in central London to British Telecom.

BT has taken an assignment of the locate which have to be the terms. of the lease which has some 17 years to run and is currently beld on a passing rent of £13.70 per sq ft.

Fluor was represented by Richard Ellis, White Druce & Brown and Realey & Baker. Agents for British Telecom were Debenham Tewson & Chimocks.

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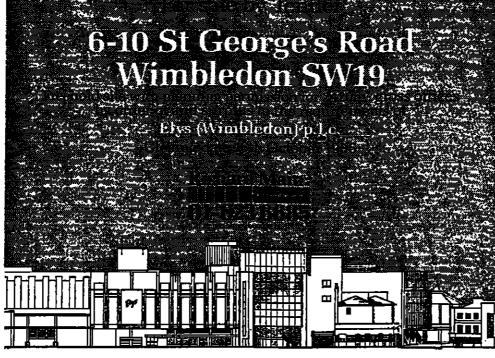
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Company Notices

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DIVIDEND DECLARATIONS

NOTICE IS HEREBY GIVEN that dividends have been declared undermentioned companies, payable to members registered at tild business on 19 September 1986.

of business on 19 September 1988.

The registors of members of the companies will be closed from 22 September 1986 to 3 October 1986, both days inclusive.

The dividends are declared in the currency of the Republic of South Africa. Payments from the United Kingdom office will be made in United Kingdom currency at the rate of exchange ruling on 28 October 1986, or the first day therester on which a rate of exchange is available.

Dividend warrants will be posted on 7 November 1986.

In the case of hon-resident shareholders, taxation of 15 per cent will be deducted.

The companies mentioned are incorporated in the Republic of South Africa	Class of share/stock unit	Dividend	Amount per share/stock unit (cents)	Total for the year (cents)
Bracken Mines Limited Company number 59/01126/06	Ordinary	48	50	. 100
Kinross Mines Limited Company number 63/06225/06	Ordinary	37	190	380
Lesile Gold Mines Limited Company number 59/01/24/06	Ordinary	44	30	
Linisel Gold Mines Limited Company number 72/10604/08	_ Ordinary	14	100	.150. .
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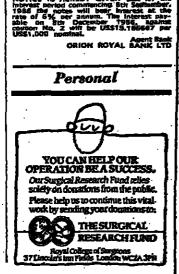
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APPOINTMENTS

Managing director for Heron Motor

Mr John Turner has been appointed managing director of panies — Knight & Morris, has appointed Mr John Fletcher panies in the Ronn Motor retailing and therefore, and the Pergamon Group. Mr Turner has returned to this country from America where he was president of Media Home Entertainment business. He was previously managing director of Heron's Lag heen with Heron for 15 years and now rejoins the board of Heron Corporation. Mr Robinson and Truman Brewers has joined director.

BURLINGTON PUBLISHING has appointed Mr John Fletcher as editorial director.

Stephenson & Ephgrave, and comprehensive senior partier of the West Mid-kight & Morris, Stephenson & Burklington partier of the West Mid-kight & Morris, Stephenson & Bongrehensive president of Media Home Entertainment business. He was previously managing director of Heron's Stephenson & Ephgrave.

A director of Watney Mann bows managing director. Mr Robinson and Truman Brewers has joined director. He was previously a corporate finance executive with becomes joint managing director of HOLLIS on October 1, with responsibility for the furniture and timber division. Before joining Heron he was group managing director of the claddings group of Cape Industries.

Mr Bruce E. G. Leggett has been appointed managing direc-tor of PANDROL UK, formerly Pandrol (Worksop). He was commercial director of Paxman Diesel, a member of GEC Group.

Mr Nigel a Braseard will be joining KLEINWORT BENSON in October to head the bank's commercial paper unit, with particular emphasis on the developing sterling market. Mr Paget Langford-Holt will be joining at the same time as a commercial paper trader. Both are at Samuel Montagu & Co. Mr Roger Clements will be joining from Astley & Pearce to work on commercial paper sales.

Downes, who was finance, systems, business planning and legal director of Watney's. Mr Juan Puyol has become general manager of BANCO EXTERIOR—UR, a Spanish bank in succession to Mr Ramon Artigas who has been appointed general manager of the French associate bank Banco Exterior—France.

Mr G. J. Newman has been appointed managing director of SHANKS & McEWAN (SOUTHERN). He was managing director of BFI Wastecare.

Ing sterling market. Mr Paget
Langford-Holt will be joining at the same time as a commercial paper trader. Both are at Samuel Montagu & Co. Mr Roger Clements will be joining from Astley & Pearce to work on commercial paper sales.

Mr Henry D. Langer has been appointed to the holding company board of the TRANS GLOBAL GROUP as group finance director. Replacing him as group company secretary is Mr Barry Ruck, who has also MULTI CONSTRUCTION (UK)

A director of Watney Mann and Truman Brewers has joined MICRO BUSINESS SYSTEMS as finance director. He is Mr David City Merchants Bank. *
Mr Noel D. Campbell has become a parmer at DURRANT PIESSE.

IBL has appointed Mr John T Monnsey as managing director of subsidery IBL (UK). He joined from Econocom, where he had been managing director since 1984.

The REDROW GROUP has made the following appointments to its subsidiary boards: Mr John Williams as managing director of Redrow Developments (Southern), T. Headley (Contractors) and Headley Builders, based in Ashford, Kent. Formerly construction director of Redrow Developments also on the group's two main boards, Redrow Developments, and

CONTRACTS

Cutting credit card operating costs

almost £2m to supply plain paper reader-printers and computer-aided microfilm storage and retrieval systems to major credit card companies. Largest order, worth over £500,000, has been placed by Barclaycard which is installing over £500,000, has been placed by Barclaycard which is installing over £500,000, has been placed by Barclaycard which is installing over £500,000, has been placed by Barclaycard which is installing over £500,000, has been placed by Barclaycard which is installing over £500,000, has been placed. The Joint Credit Card Company (Access), The Bank of Scotland (Visa Card), TSB (Trust Card), Co-op Bank (Visa Card), St Michael Financial Services (Credit Charge Card), and American Express. Plain paper reader-printers offer significant savings in operating costs compared with previous equipment, says Kodak. The company quotes the case of American Express where the installation of a Kodak Kar-4400 Information System has enabled the 55 days turnround in processing credit card applications to be cut to five days, operating costs to be cut by 35 per cent and productivity to rise by 34 per cent.

SHEEPBRIDGE

SHEEPBRIDGE SINTERED PRODUCTS, a subsidiary of the GKN powder metallurgy division, has won a contract worth \$1.25m (£845,000) for heavy duty graphitic friction material for Detroit Diesel Allison division of General Motors Corporation, US- for use in Torquatic transmissions.

SPINNEYS AUSTRALIA (PTY). SPINNEYS AUSTRALIA (PTY).
a wholly-owned subsidiary of
Steel Brothers Holdings, has
secured a contract with Ok Tedi
Mining at its gold and copper
mine in the Western Province
of Papua New Guinea. It will
be worth over 45m per year.
The order involves provision of catering and camp operating services to several locations, supplies for the township super-

KODAK has won orders worth market and other shops, office where a four-storey office block almost \$2m to supply plain cleaning, garbage collection and with car park and access road paper reader-printers and large-scale function catering. Is to be built for Higgs and Hill

British Coal is to build a £10m pilot plant on a North Wales site to produce petrol from coal. By the turn of the century more than 10m tonnes of coal a year could be used in the UK for transport fuel production. awarded the contract to produce the fluidised bed process heaters for this process. The £350,000 contract will be completed by the beginning of 1987.

WALTER LAWRENCE & SON has started on a £2.3m returbishment of the Downs Estate, Amhurst Road, £8, on behalf of the London Borough of Hackney. Five blocks of flats on the estate will be refurbished over a 79-week period. The work will consist of replacement of flat roots with tiled pitched roots roofs with tiled pitched roofs and insulation; refuse chutes; lift tower extensions and lift installations; entry phones and kitchens in some fats; replacement of windows; conversion of drying rooms to form dining rooms for some flats; together with repair to brickwork and redecoration of communal staircases and balconies. Private front gardens to some homes will also be provided. also be provided.

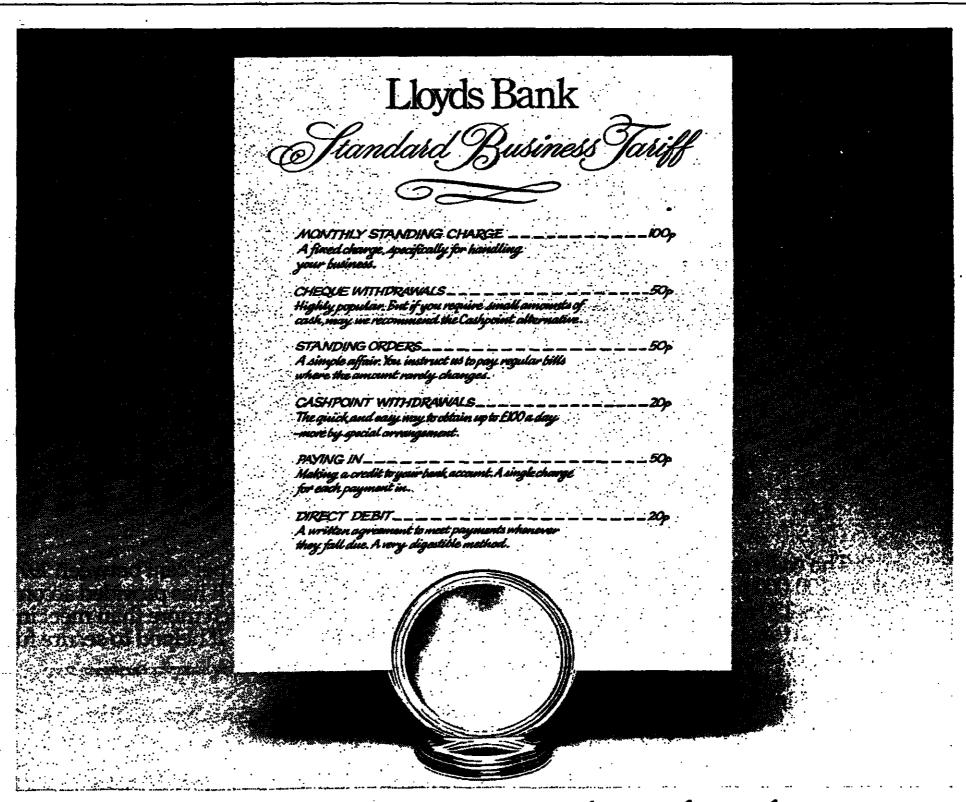
Developments in 38 weeks, A more unusual project is the restoration of Shanklin Pier on the Isle of Wight which is to be restored in a series of fast-tracking sessions over the next two years.

The British Rail contract covers groundworks for a new station concourse incorporating travel shop, catering and other passenger business facilities adjacen to Reading General Station. This comprises some demolition work, piling and construction of basement slab, ramp, retaining walls and ground slab together with associated ramp, retaining wans and ground slab together with associated service ducts and drainage. The basement will provide short-term car parking facilities for the new station. Work is due for completion in January 1987.

BALFOUR BEATY BUILDING has been awarded a contract by J. Sainsbury to build a supermarket at Oldham, Lancs. This store is the fourth that Balfour Beatty has built for this client. Worth £4.5m, work on the contract has started for completion by September 1957.

BELOIT WALMSLEY, Bolton, Lancs, has been awarded two contracts with a total value of In November HORTON CONSTBUCTION starts work on a
£2m project to restore the
Norfolk Hotel in Bournemouth
to the splendour of its Victorian
heyday, bringing it to four-star
standard by the spring. It is to
be refurbished with new facilities that will include a covered
swimming pool and multi-level
swimming pool and multi-level
take 25 weeks to complete.
Horton is undertaking an
£800,000 project in Fareham

contracts with a total value of
over £4m. One order is for
Australian Paper Manufacturers,
Petric Mill for the wet end rebuild of a multiply machine. This
will include converting two
Inverform units into Beloit
Walmsley's Bel-Bond Units and
installing secondary headboxes.
The other order is from Reed
build of its No 6 Machine at
Aylesford Paper Mills for the
production of corrugated case
materials.



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Opera and Ballet

LONDON English National Opers, Coliseum: The start of the season features two much-revived ENO productions - Il Trovatore with Kenneth Collins, Jane Eaglen, Ann Howard, Neil Howiett, and James Lockhart as conductor, and Jonathan Miller's oddly unsatisfactory production of The Marriage of Figure, with Valerie Masterson and John Tomlinson returning to the roles of Countess and Figure, and Mark Elder conducting. (836 3181).

WEST GERMANY

Berlin, Deutsche Oper: To mark the 200th anniversary of Frederick the Great, Montezuma, for which he wrote the libretto, is offered to music by Carl Heinrich Graun, pro-duced by Herbert Wernicke, with Graciela Araya, Angela Denning, Gudrun Sieber and Walter Grönroos. Don Glovanni features

Stratsoper: Der Rosenkavalier con-ducted by Kout with Tomova-Sintov, Lilova, Walther, Wise, Rysanek: La Traviata conducted by Plasson with Cotrubes, Raffanti, Milnes, Cavalle-ria Rusticana conducted by Fischer with Lilova, Troyanos, Merighi; I Pagliacci conducted by Fischer with Ghazarian, Atlantov, Pons, Arladne

Cheryl Studer, Gundula Janowitz, Marie McLaughlin and Jose van Dam, Siegfried has Catarina Li-gendza, Rene Kollo, Angela Den-ning and Gottfried Hornik. Falsaff is presing with Langue Wisell Kanen

ining and with Ingvar Wixell, Karen Armstrong and Kaja Borris. Zar und Zimmermann rounds off the

Musikhalle: Verdi Requiem, con-ducted by Gerd Albrecht with Awil-

ducted by Gerd Albrecht with Awilda Verdejo, Alicia Nafe, Lnis Lima and Kurt Moll (35 11 51).

Frankfint Opera: Premiering this week is a concert version of La Gioconda. The cast is led by Galina Savova, Enzo Grimaldo, Carlo Bergonzi and Barnaba Matteo. Die Entführung ans dem Serail, conducted by Michael Gielen festures Faye Robinson, Julia Kaufmann, Alejandro Bamirez and Gerolf Scheder. Aida, sung in Italian, has Awilda Verdejo in the title role. Also Hans Zender's Stephen Climax and

Hans Zender's Stephen Climax and Das Rheingold. (2 58 21).

cheveningen, Circus Theatre. Nederlands Dans Theater with a new ballet by Nacho Duato, and Jiri Kylian's Svedebka and Stamping Ground (Thur). (55 88 00).

VIENNA

week (34 381).

violin. Berlioz, Duparc and Brahms.
Royal Albert Hall (Wed).

City of Rirmingham Symphony Orchestra conducted by Simon Rattle
with Philip Fowke, piano. Ravel, Debussy, Bachmaninov and Sibelius.
Royal Albert Hall (Thur).

Viadinar Ashkenary, piano and Lynn
Harrell, Cello. Beethoven. Royal
Sestival Hall (Thur) 9028 3191).

Ensemble Mossiques, Christophe Coin, cello and Erich Hobarth, viol-in: Haydu, Boccherini (Mon 7 pm). Auditorium des Halles, 5 Porte Saint-Eustache.

Helene Jeanney, piano: One hour with Chopin (Tue 6.30 pm). Anditorium des Halles. All these concerts are part of the Paris Festival Estival Taped infor-mation in English round the clock 4764 9080.

WEST GERMANY

monic Orchestra, BBC Singers, Lon-don Voices and Welsh National Op-era Chorus, conducted by Sir Georg

and Names constructed by Schneider | Theatre with Gruberova, Murray, Tomova-Sintov, The Barber of Seville conducted by Weikert. (51 444/26 55). Volksoper: Hello Dolly conducted by Bibl; Das Land des Lächelns; Ma-dame Pompadour; Wiener Elut; Or-pheus in der Unterwelt pheus in (51 444/26 57),

Bilheo, L'Elisir d'Amore with Alfredo Kraus and Andriana Anelli. Orques ta Sinfonica de Enskadi conducted by Bruno Rigacci; Turandot with Eva Marton, Nicola Martinucci and Carlos del Bosco conducted by Bru-no Rigacci. Testro Coliseo Albia (415 5490-415 6855).

NEW YORK

New York City Opera (NY State Thea-tre): The week features Sigmond Romberg's The New Moon with Leigh Munro as Marianne, Richard McKee as Besac in Robert Johan son's new production conducted by Jim Coleman. Other productions this week are Faust and Madama Butterfly. Lincoln Center (876 5800). Out-of Towners Series (Dance Theater Workshop): The ninth annual invita-tional dance, mime and perfor-mance whirlwind features this week Los Trios Ringbarkus from Mel-

Los Trios Kingparkis from sket-bourne performing Rampant Stu-pidity (Wed, Thur). 19th St. w. of 7th Av (924 9677). SummerStage (Central Park): Free new dance series. Yvonne Meier, Jane Comfort. (Wed); Douglas Dunn, Bill T. Jones (Thur). Bandshell at 72nd St. 8 o'clock (397 3156).

Solti. Berlioz La Damnation de Faust with Frederica von Stade Keith Lewis, Dietrich Fischer-Dies kau und Malcolm King (Tues); Beethoven's 9th with Helen Donath, S

Palais des Beaux Arts: Toronto Sym Palais des Beaux Arts: Toronto Symphony Orchestra conducted by Andrew Davis with Louis Lortie, piano.
Louie, Beethoven, Prokoffev. (Tue); Czech Philharmonic Orchestra conducted by Vaclav Neumann. Mahler, Dvořák (Wed); Liege Philharmonic Orchestra conducted by Pierre Bartholomée with Barbara Hendricx, mezzo soprano: Berlioz (Thur). (512 50 45).

NETHERLANDS

reasurem, various churches, 1990 intro-Festival of religious music. Pentacost vocal ensemble. Gregorian chant (Tue); The Voice of the Turtle, Sephardic wedding songs from Bulgaria (Wed); Canticles (Thur). (21 33 00).

VENNA

Peter Planyavsky, organ, Dandrieu, Boehm, Bach, Schmidt, Planyavsky. St Stephan's Cathedral (Wed).

un, Stadsschouwburg, Golden Gate Actors Ensemble (24 23 11).

Eindhoven Schouwburg. Chris Harris in his one-man show Kemp's Jig, the comic story of a musical clown in Shakespeare's company who turns his back on the bard and wins fame by Morris dancing from London to Norwich (Fri). (11 11 22).

Munich, Gasteig Kulturzentrum, Carl Orff Saal: Royal Shakespeare Com-pany. A Midsummer Night's Dream, devised last year by Toby Robert-son. (689) 41 81–614.

LONDON

The Normal Heart (Albery): Tom "Amadeus' Huice is playing the crusad-ing hero of Larry Kramer's hysteri-cal melodrama for a three-month Aids epidemic increases. (credit cards (CC) 379 6565).

George Hearn a welcome star along-side Denis Quilley in the transves-tite show for all the family. Weak second act, less than vintage Jerry Harman score. The show has not travelled well from Broadway. (437 7373 (CC) 734 8961).

Blithe Spirit (Vandeville): Susan Hampshire and Joanna van Gysegh-

em have now joined Simon Cadell in this enjoyable Coward revival. (835 9987). Trollus and Cressida (Barbican): Pro-

rollus and Cressea (Hartscan): Pro-vocative RSC production set vague-by in the Crimean War with Juliet Stevenson refusing to play Cressida false but riveting just the same. The bumptious 1950s Merry Wives contiques in repertoire, (628 8795). Dalliance (Lyttelton): Tom Stoppard's new version of Schnitzler's Liebelei

is a crushing disappointment only partly redeemed by Brenda Riethyn as the rained working girl. A theat-ricalised travesty of the work adds to the confusion of middle-aged ac-tors playing boyish dragoons in Pe-ter Wood's numbingly respectable production. (928 2252). Lend Me A Tenor (Globe): Fresh and

inventive operatic farce by new American suffor Ken Lodwig set in Cleveland, Ohio in 1934, Dennis Lawson and Jan Francis lead an en-

ergetic company in mistaken iden-tity romp, while Verdi's Otello car-ries on regardless. (437 1592) When We Are Married (Whitehall): Matchiess comic playing from an all hen We Are Married (Wintenau):
Matchiess comic playing from an all
star cast in Priestley's comic warhorse about silver wedding anniversaries undermined by an inconvenient revelation. Bill Fraser is a venters reveision. Bill Fraser is a drunken Falstaffian photographer and the couples are led by Timothy West and Prunella Scales. The 1930 theatre has been beauftifully reno-

Neises Off (Savoy): The funniest play for years in London, now with an improved third act. Michael Blake-more's brilliant direction of back-

vated. (930 7765).

stage shenanigans on tour with a third-rate farce is a key factor. (836 8888).

Starlight Express (Apollo Victoria): Andrew Lloyd Webber's rollerskat-ing folly has 10 minutes of Spielberg ing tolly has 10 minutes of Spielberg movie magic, an exciting first half and a dwhading reliance on indiscriminate rushing around. Disneyland, Star Wars and Cats are all influences. Pastiche score nods towards rock, country and hot gospel. No child is known to have asked for his money back. (834 6184).

42nd Street (Drury Lane): No British equivalent has been found for New York's Jerry Orbach, but David Merrick's top-dancing extravaganza has been rapturously received. (836 8108).

Lennou (Astoria): A not too critical calebration of the life and music of John Lennon that is enjoyable especially for the musical resourcefulness of the cast and Mark McGann's

Are You Loussome Tonight? (Phoenix): More musical hagiography with Alan Bleasdale's Elvis Presley show using flashhack and excellent live recreations of the rock and roll hits to explain how Martin Shaw's magnificently wrecked and flashy King in crushed velvet jumpsuit has reached this pretty pass. Emploitative, but not strictly for tourists. (836 2294).

NEW YORK

Cats (Winter Garden); Still a sellout, Trevor Num's production of T.S. El-

lion's children's poetry set to trendy music is visually startling and choreographically feline, but classic only in the sense of a rather stand

and overblown idea of theatricality. (239 6262). 42nd Street (Majestic): An immodest celebration of the beyday of Broadway in the '30s incorporates gems from the original film like Shuffle Off To Buffalo with the appropri-

ately brash and leggy hoofing by a

large chorus line. (977 9020). A Chorus Line (Simbert): The longest-running musical ever in America has not only supported Joseph Papp's Public Theater for eight years but also updated the musical genre with its backstage story in which the songs are used as undi-tions rather than emotions. (239 6200).

La Cage sun Folies (Palace): With But some timeful Jerry Herman songs, Harvey Fierstein's adaptation of the French film manages, barely, to capture the feel of the sweet and hilar T ours use seen or the sweet and hilar-ious original between high-kicking and gandy chorus numbers. (757,2826).

I'm Not Reprepert (Booth): The Tony's best play of 1986 won on the strength of its word-of-mouth popu-larity for the two oldsters on Central Park benches who bicker uproar-iously about life past, present and future, with a funny plot to match.

Big River (O'Neill): Roger Miller's mu-sic rescues this sedentary version of Huck Finn's adventures down the Mississippi, which walked off with

many 1985 Tony awards almost by default (246@220).

The Mystery of Edwin Drood (Insperal): Rupert Holme's Tony-winning resurrection of the unfinished Dickens classic is an ingenious musicai with music-hall tunes where the audience picks an ending. (239 8290).

Pump Boys and Dineties (Apolio Cen-ter): Facetious took at country music and down-home country life with a good beat and some memorable songs, especially one played on kit-chen utensils has proved to be a durable Chicago hit. (935 6100).

Susraku Puppet Theatre: Japan's tra-ditional popular theatre with its inte-size puppets. Sister theatre to Kabu-ki, they share a common repertoire. This month's performances feature one of the most popular plays for Bunraku, Imoseyama Onna Teikin by Japan's best-known 18th century playwright, Chikamatsu, Mabnee at noon, evening performance, tpm. National Theatre near Akasakamit-sake and major hotels. English programme and excellent earphor commentary available. (285 7411).

Romeo and Juliet (in Jananese), an important new production directed by internationally known Kabuki female impersonator, Tamasaburo Bando, starring Hiroyuki Sanada and others. Sunshine Theatre, Ikeband others. Sunsi ukuro (987 5281).

Music WASHINGTON

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Matislav Bostropovich conducting. Ives, Beethoven, Tchaikovsky (Tue); with Arleen Auger, soprano. Weber, Mozart, Mahler (Thur). Kennedy Center (254 3776).

CHICAGO

Bavinia Festival: Anthony Newman organ recital. Widor, Franck, Vi-erne, J.S. Bach (Wed); Charles Neierne, J.S. Bach (Wed); Charles Nei-dich clarinet recital with Elena Iva-nina piano. Debussy, Schumann, Reinecke, Berg, Edison Denisov, Stockhausen, Lurigt Basai (Wed); Dawn Upshaw soprano recital, Ro-vert Merfeld piano, Charles Reidich clarinet, Purcell, Debussy, Schubert, Schwariner, Rachmanicus, (Thus) clarinet, Purcell, Debussy, Schubert, Schwantner, Rachmaninov (Thur). Highland Park. (728 4642).

TOKYO

Tokyo Metropolitan Symphony Or-chestra conducted by Takashi Asa-hina: Brahms, Bruckner, Haas. Tohma: branns, brussner, baes, ar kyo Bunka Kaikan (822 0727). hlome Mintz (violin) with Paul Os-trovsky, piano. Beethoven, Mendels-sohn, Brahms. Tokyo Bunka Kaikan (Wed). (571 1689).

Savarian Radio Symphony Orchestra. conducted by Sir Colin Davis, Stra-

vinsky and Beethoven. Royal Albert Hall (Mon). (588 8212). Bavarian Badio Symphony Orchestra conducted by Sir Colin Davis. Hart-mann and Bruckner. Royal Albert Vall (Table).

Hall (Tue).

BBC Symphony Orchestra conducted by Raymond Leppard with Felicity Lott, soprano and Rodney Friend, violin. Berlioz, Duparc and Brahms.

Festival Hall (Thur). (928 3191).

PARIS

Frankfurt, Alta Oper: London Philhar-

Maastricht, various churches, 1986 Eu

ma_Hothurg_Orchestra_conducte by Gert Hofbauer. Waltzes and Light Opera. Konzerthaus (72 12 11). (Tue, Thur). Exhibitions

Hayward Gallery: Dreams of a Som-mer Night – an exhibition of pain-ting at the turn of the century in the five Nordic countries, organised by the Arts Council and the Nordic Council of Ministers. It proves to be an important and intriguing exercise in critical reasses though many of the painters enjoyed a certain contemporary fame abroad, they were with one great exception all but forgotten in the years after the First World War, Munch was that exception, and the chief value of this exhibition, which throws a fresh light on his work, is the demonstration that he was no arbitrary phenomenon but the notct of a distinctive national and regional character. Ends Oct 5, then Düsseldorf and Paris.

PARIS

What is Modern Sculpture?: Rather arbitrarily, the American art critic Margit Rowell answers by exclud-ing Rodin and Maillol from the 1900-1970 period. Her criterion is a break with tradition, and tin, welded wire, plywood and string are next to sculptures in bronze and marble There are some splendid works by Picesso and Matisse, Brancusi and Giacometti. The exhibition continnes from the 5th floor to the forum in the basement with Benys and Arte Povera and is unspeakably de-

pressing. Centre Georges Pompidou, Closed Tue (42771112) Emis Oct 13. Mediaeval art in Paris: The abbots of Cluny built their magnificent late gothic town house in the heart of the Latin Quarter on three black-ened ruins of Roman beths. Now a museum, it houses mediaeval works tar pieces, ivonies, fabrics, with two English royal standards embroid-ered in gold ou red velvet. In a rotunda of its own is a set of the Lady and the Unicorn mille fleurs tapesand the Union make years deperties - an allegory of the five senses, one of the masterpieces of medianval art. Musée de Chuy. 6 Place Paul-Painlevé, Métro Odéon.

WEST GERMANY

eldari, Kunstm **Xisseldorf,** Kunstmuseum, Ehrenhof 5: Otto Pankok (1893-1986). The Passion; 60 huge charcoal drawings by the German expressionist covering 1933-34. Ends Oct.

Essen: Villa Hägel: The chairman of Krupp, Dr Berthold Beitz, who is al-so head of the private Ruhr cultural institute, was the moving force be-hind this exhibition, helped by Mr Erich Honecker, the East German leader. The Villa Hügel, 114 years old, has been redecorated for the ex-hibition. This is the first show orgaalsed by the institute, founded three years ago on the initiative of the Krupp Foundation. The treasures Arupp Foundation. The treasures from the period 1694-1733 of great Elections are on loss from Dresden's state cultural collections. The eight royal collections are presented seproyal collections are presented sep-grately with characteristic master

works. There is also one of the oldest and most complete coin collec-tions in the world and a huge collections in the worm and a mage conscition of arms and copper engravings by Boucher, Chardin, Piranesti and Tiepolo. The picture gallery includes works by Titian, Poussin, Velasquez, Rubens, Rembrandt and Cranach, Ends Nov 2. memberg, Germanische

museum, Kommarkt 1: Nuremberg, from 1300 to 1550. Gethic and Rensissance Art. About 300 main works of Nuremberg's grandest age. Ends Sept 28.

famich, Lenbachhaus, Luisenstrasse
33: Hommage à Beuys: 69 painters
exhibit some 100 pictures with 150
late works by Joseph Beuys
(1921–1936). Ends Sept 28.

tional artists showing in 51 private houses. Tickets, map etc from Mod-ern Art Museum, Ghent em Art Museum, (091/211703). Ends Sept 21. When the posters went to war: Ameri-can posters through the two world wars. Muste Royale d'Art et His-

toire. Ends Oct 12.

ITALY agano: Villa Favorita: Goya In Private Spanish Collections: 50 paintings by Goya, normally impossible to see and which have never travelled before. The exhibition is organised by Baron Thyssen and the Spanish Minister of Arts. Among them is the wortait of the Compasse. them is the portrait of the Conte

enice: Palazzo Gressi: Futurism and Futurisms: Flat opens its art centre on the Grand Canal with the largest exhibition to be devoted to the Futurist Movement, a movement born in Italy, and the first to exalt tech-nology, and to try to convey speed on canvas. More than 300 works have been lent. The paintings are mainly from 1909-18, but there are

di Chinchon, considered the best of

also sections devoted to literature, theatre, music, architecture, fashion and furniture, showing inturisur's influence up to 1930. Ends Oct 12. ome: Museo Nazionale delle Arti e lome: Museo Nazionale delle Arti e Tradizioni Popolari (Piazza Marconi 8, eur): "Precions Ornaments." A large collection of Folk jewellery from all over Italy, dating from the turn of the century, illustrated with charming photographs of heavily bejewelled countrywomen. Until Nov. 20

Eindhoven, Van Abbe Museum, Currently drawing a record number of visitors to the 50th anniversary Eye level exhibition of its entire collec-tion. The 1,500 works read like a roll-call of modern art, from Cha-gall, Kandinsky, Braque and Picus-so to Klein, LeWitt, Baselitz and msterdam, Tropenmuseum. The Hu-man Story charts evolution from the origin of the universe, through the

age of the dinosaurs and the app

e of the first primates, up to the

NETHERLANDS

present day. Video programmes, life-size reconstructions of early hominids (including Leakey's fa-mous 'Luxy') and touch-screen displays illustrate this detailed story of mankind previously seen at the Commonwealth Institute. With an introductory section on the theory that a meteorite impact 64 million years ago led to the extinction of the dinosaurs and cleared the way for the birds and mammals. Ends Oct

Leiden, Rijksmuseum van Oudheden Treasures from Turkey gathers to-gether more than 400 exhibits from 22 museums to provide an overview of the civilisations that left their mark on Anatolia in the course of 1,000 centuries. The first section covers the Stone and Bronze ages, with pottery, delicate figurines and gold ornaments. The second part is devoted to the classical period, from the first contacts with Greece up to the end of the Byzantine Empire, and contains superb Hellenistic statues, a Roman portrait gallery and the treasury of Constantinopie. The refined cultures of the Seljuks and Ottomans are explored in the final section, furnished mainly from the Topkani Museum, with illustrated books, tapestries and embroidered garments. Ends Sep 22.

Madrid, Prado Museum. French, Spanish and Italian paintings of the 18th century. This exhibition from

Continued on Page 19

There is a case against sanctions

The coal mining industry in South Africa employs about 100 000 people of whom, 86 000 are black, and produces 170 million tons of coal per year of which 45 million tons are exported. Some 30 000 people are

producing coal for export. Both as to its technical skills and in regard to its social policies, this industry has done much to improve productivity and living standards in

southern Africa. It has participated actively in persuading Government to scrap legal barriers to the advancement of black people.

It has raised the real wages of unskilled workers by over

345 per cent between 1970 and 1985.

It has provided accommodation and other amenities which more than meet international mining standards. It helped to secure full trade union rights for its

black workers. With many difficulties but also with considerable success, it has developed workable industrial relations.

More recently, the coal mining industry has joined in the ongoing initiatives by the private business sector which have achieved important successes in securing social and economic improvements in South African society.

The imposition of sanctions against this industry would certainly

- cause some 30 000 people, most of them black, to lose their jobs, with all that that implies
- deprive the industry of the resources it needs to pursue higher skills and better standards
- heighten political tension and aggravate racial polarisation in South Africa.

WHOSE INTERESTS CAN THIS POSSIBLY SERVE?

Sponsored by the South African coal producers

pli in 120

Cinema/Ann Totterdell

Emotional confrontation in the underworld

Mona Lisa directed by Neil Jordan Miracles directed by Jim Kous Jake Speed directed by Andrew

The night sky is red, a car cruises searchingly through a tatty parade of fourth division whores—the amateurs, the broken down, the addicts and the adolescents. At the wheel is George (Bob Hoskins) newly released from prison into a London underworld he barely recognises, in the back Simone (Cathy Tyson). young, beautiful, aloof but also for sale. And the mean streets they watch are those of Kings Cross, London's meat rack.

Why an expensive hooker wants to spend her off-duty hours surveying down market colleagues is an enigma which intrigues George. But then, he finds most aspects of life intriguing or disturbing now; his old gang seem to have moved into new areas, ones he dislikes; pornographic videos, pimping, blackmail.

When Simone finally confides that she is looking for a vanished friend, imprisoned in vanished friend, imprisoned in prostitution by heroin addiction, George's romantic and chivalrous instincts are ready for arousal. He takes the search into the places Simone can't go, the Soho clubs and brothels, and inevitably uncovers a threatening rat's nest of connections and corruptions.

It makes an enjoyable gang-land thriller, but it isn't the mysteries or the chases that make Mona Lisa the impressive film it is. Its small canvas is enlarged and given weight by the emotions it confronts, especially for George. His narrow outlook and

righteous but superficial indig-nations are stretched by events into real and painful feelings. Who would have expected ultra conservative George to fall under the spell of the "tall, thin black tart" he chauffeurs, and be as excited as a small boy in a new school uniform by the Saville Row suit she buys to make him more present-able in the smart hotels she

52

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in a world grown tougher and more cynical while he has been inside, an observer drawn for a while into an impotent crusade only to withdraw, accepting maybe but not adjusted to the facts of his life. When he discusses the detec-

tive stories he enjoys George always comes up with better solutions than the authors, but it is beyond his power to write dis own happy ending.

Though it is no secret that the role of George was written especially for Hoskins by director Neil Jordan (who made Angel and Company of Wolves), that is not to say he has been given an easy ride. The part calls for the familiar Hoskins toughness but also for a valuerability and yearning for affective toughness but also for a vulnerability and yearning for affection that is never allowed to become pathetic — George always retains the dignity of a boxer staggering up at the count of nine. Not only is the part designed to stretch his sense of comedy as well as his emotional reserves but the other players give him a run for his

money. Cathy Tyson gives a contained but multi-layered per-formance as the unfathomable formance as the unfathomable Simone, using scraps of considences like bits of bait to win George's help. Robble Coltrane as his best friend Thomas makes an easy-going buffer for George's scratchy misgivings and disapprovals. "Channel Four, is it?" he asks cheerfully when the appalled George, watching one of the porn videos he is employed to deliver, discovers Simone is the star.

And in an imaginative and And in an imaginative and surprising piece of casting, Michael Caine, proving that though you are big in status you can be big in professional generosity too, makes a relatively brief appearance as George's smoothly manipulative and unprincipled puller of strings.

of strings.
There is more than a touch of Taxi Driver about Mona Lisa: or then briser about Mona Listired light districts, heroes who
are outsiders, prowling the
streets from the seclusion of
cars, revolted by the corruption
they see, especially that of girls
barely more than children.
Though it is unlikely that
Jordan gave Martin Scorsese's
film more than a passing works?

Outwardly transformed from thought when he wrote the gauchely floundering puppy script, it is the nearest a into the inconspicuous cover British film has come to a Simone needs, he is still adrift convincing account of urban



Cathy Tyson in a scene from Mona Lisa

street life and the coldly away behind shabby street business-like corruptions it conceals.

Persistently and unrecog-nisably shown in the past as a cosy haven for chirpy barrow boys and tarts with hearts, or as some melodramatic no man's land where ordinary people don't venture, Jordan has captured the look and essence of the Soho I lived in for nine years — safe for outsiders, scruffy and prosaic, the un-comfortable aspects all hidden

If the film doesn't have the power of a Taxi Driver it isn't because Neil Jordan (as an Irishman himself, an observer) has not applied his own moral vision to his story but because he has discovered the layers of grey that inform British attitudes, duiling moral passions instead of provoking them.

It is a pity that Tom Conti-couldn't have seen Mona Lisa

before he decided to appear in Miracles. Once one of our most

promising actors, he seems to have forgotten that growth—as Bob Hoskins and Michael Caine prove this week—is possible before and after success. With Glasgow in 1984, Among the new scores introduced during the festival was his Orion over Farne, written for the Scotlish National Orchestra, and it was passing similarities to his first romantic comedy American Dreamer, Miracles teams him appropriately given its first London performance by them, with Teri Garr as a newly divorced couple who, through a chain of outrageous co-incidences are kidnapped by Mexican revolutionaries and extapulted into a series of lunatic adventures in which lucidly conducted by Matthias Bamert, as the beginning of

It proved to be one of the they are stranded in a desert, thrown into jail, lost at sea and washed up in a South American forest. Even is the coincidences, both

large and peripheral, didn't seem so tedious, the characterisations of Conti and Garr would. Well matched in the carping and whining stakes, one cannot help fantasising that the couple, though irretrievably tiresome, might have acquired a little more charm if the stars had been replaced by Jack Lemmon and Walter Matthau.

There is more frenetic and on there is more irenetic and pointless racing around in Joke Speed, a comedy adventure which makes the sadly not fatal mistake of parodying what were parodies to start with—Indiana Jones and Romancing the Stone.

This temple of doom has hero Jake (Wayne Crawford) and his sidekick Des (Dennis Christopher) inviting adventures in order to write them up as bestselling paperbacks, then up as bestselling paperbacks, then discussing which tactics will "read" best and acting accordingly. Presumably lucky enough to have an undemanding publisher and public, the plot here involves a white slave kidnapping which leads to Africa, with the victim's sister (Karen Kogins) glong to provide slame. Kopins) along to provide glam-our and a sexy cover picture. Not only a one joke film but practically a one incident film too, the action is painfully slow, mostly consisting of explosions and flying bodies, only briefly enlivened by a stylised performance by John Hurt as an oily villain of the

Wayne Crawford who plays Jake Speed and also wrote the script makes an agreeably attractive and fallible hero, but more plot, pace and humour would be needed to turn this into real entertainment.

Orion over Farne/Albert Hall, Radio 3

Andrew Clements

featured composers at the most recent Musica Nova week in Wednesday night's Prom.

It proved to be one of the most striking and cogently argued of Casken's recent scores. The starting point appears to have been both literary and topographical; a potent quotation from Basil Bunting's autobiographical poem of life in the English North East, "Briggilats" heads the score, and one of the composer's impulses must have been to try to capture something of the spirit of place the poem

laid upon that is both a pro-grammatic portrayal of the myth of Orion, from the call of his hunting horn in the opening mising cor anglais solo, but the bars to his death and journey material within that frame is into the heavens at the close, and the elements of a four of purpose.

Yet the fast music which dissementing of an achievement perses the mood of contemplato have preserved all these layers of musical and extramusical inspiration more or less coming congested and the final

John Casken was one of the evokes: the Orion of the title is given room to expand and tan-eatured composers at the most the constellation in the night talising fragments scud by, ecent Musica Nova week in Sky., Farne the group of islands never to be recalled. The slasgow in 1984. Among the off the Northumbrian coast. But second movement itself begins and ends as if recalling some English pastoral sketch of an-

> perses the mood of contempla-tion is immensely purposeful, densely scored without ever he musical inspiration more or less coming congested and the final intact, without allowing the argument to get bogged down because of them.
>
> The final two sections of Orion are very finely realised, mental colours. Repeated hearthe first two rather less certain in their direction. The opening any more appealing, but they do music seems hardly to have got properly into its stride before ing and perceptiveness of the the brakes are being applied in readiness for the transition to kind of surefootedness that readiness for the transition to kind of surefootedness that the slow second part; the Casken previously revealed in thematic elements are hardly his 1982 string quartet.

Woman in Mind/Vaudeville

Michael Coveney

Reports from Scarborough last year, including Martin Hoyle's on this page, suggested that Alan Ayckbourn's latest play was no water-treading makeweight. So it proves in a new production by the author in the West End: a bilious, raw, strange and surreal account of a married woman's dissatisfactions and hallucinated family counterparts after ated family counterparts after she has knocked herself out on the garden rake.

on the garden rake.

The play opens and closes with fast re-wound gibberish, as if Susan's nightmare is a symptom of concussed sensibility. Attended by a doctor who has admired her secretly from afar, she is greeted by a white-clad trio of ideal husband, young brother and brilliant daughter with tennis court pland, young brother and brui-liant daughter with tennis court chatter and offers of champagne. They would all be lost without her. The artificiality of this writing, at first disconcerting, is in fact a cunning device through which the alternative is viewed as potentially suffo-cating as the reality.

Julia McKenzie, a prove Ayckbourn interpreter as well as a matchles musical comedi-enne, scores a considerable success as Susan, her performance on Wednesday greeted with an ovation less synthetic than is usual on such occasions.

great. It wells up before spurting out in mordant remarks
about separate beds, solitary
occupations like gardening and
(now) sex, the lack of a role to
lack of a role to
breaks his silence and threatens
ordinary fact of our theatre
to decamp to Thailand with a (now) sex, the lack of a role to play.

Susan is married to a boring vicar. Gerald, whom Martin Jarvis, thickening gloriously jarvis, thickening gioriously into comic middle age, presents as a lumpen, patronising cleric whose offertoxy gestures have been recycled for domestic tyranny, whose light and skidding Sunday morning pleasantries have hardened into whiplash whoses of conciliation and lash phrases of conciliation and

They are expecting their son Rick for lunch, a boy who has joined a sect in Hemel Hemp-stead and communicates with his father only through the odd his father only through the odd letter. He does not speak to his mother. Gerald's sister Muriel (the goggle-eyed, angular Josephine Tewson) is also on hand, preparing hideous omelettes and undrinkable coffee while hoping that her deceased bed-ridden husband will somehow get in touch. Years of disappointment and

CHICAGO

Chicago Historical Society: Louis Sul-livan, a seminal figure in American architecture, is celebrated in an ex-

hibit in the city he made architectu

mint in the city he made architecturally fanous with newly made models of his buildings along with drawings, sketches and building fragments emphasising his use of ornament. Ends Dec 31.

TOKYO

Martin Jarvis and Julia McKenzie

silence lend the baleful con- tempo, a wedding party versations an incongruous becomes a day at the races and Ibsentie quality which are all the two worlds merge in a vivid the same punctuated with some social and ecclesiastical bitterly funny exchanges.

Ayckbourn interpreter as well as a matchles musical comedianne, scores a considerable success as Susan, her performance on Wednesday greeted with an ovation less synthetic than is usual on such occasions.

She scampers fluffly among the overweening compliments, the salmon lunch on white table cloth, the slow motion unctuousness of the blond, considerate husband. But deep down, the pain of an unfulfilled woman is great. It wells up before spurt-

When Rick (Daniel Flym) breaks his silence and threatens to decamp to Thailand with a nurse he has already married. Susan consigns him to the fantasy. By now, her Furies, or voices, or whatever, have assumed a more menacing shape and a ghostly row culminates in an act of sexual possession on the lawn. While a storm rages, the doctor is thrown in the lake. Gerald's manuscript burnt and Murlel's "Harry" is reported back from the dead. With an outrageous switch of mood and side and a neighbour's dog wimpers and goes missing.

The Marriage of Figaro/Coliseum

Max Loppert

mances. This has always seemed to me the weakest of Miller's ENO stagings, the one on which his characteristic trademark of intelligence, originality, and insight failed to be stamped; but on this occasion it came, at long last, into some degree of focus.

There was a distinct feeling of a household in which battle lines were being drawn, tensions screwed up, wounds exposed and misunderstandings piled up; the passages of repose, of a single character on stage a single character on stage
seated in a chair. lost their
former air of inertia. Several
minor blemishes have also been
removed (though the most
notable of them, the presentation of the Countess's children
during the "Porgl amor" introduring the "Porgl amor" introduction, unfortunately remains). It is not the most energetic Figaro we have seen—that only happens when the leading characters are equally matched. But as a company presentation it has much to offer.

The cast contains an interesting mixture of old hands and that other parts — such as newcomers. Valerie Masterson's Donald Adams' Bartolo or Countess, warmly remembered Stuart Kale's Basilio — are Countess, warmly remembered from 1978, still manifests a more certain sense of Mozartian style — which includes physical as well as vocal demeanour—than anyone else on stage; for the arias the voice is no longer ideally fresh of tone (though the second was exquisitely phrased), but the distinction remains. She is the same height as Catherine Pope's Susanna, a strong point in the last act; Miss Pope, too, is a practised Figoro

Stuart Kale's Basilio — are overdone, yet the whole performance is firm enough in outline to contain them. For this Mark Elder in the pit must take some share of praise. Inside the opera (as he production of Don Giovanni), he builds up the pace from scene clear and well-sprung of strong point in the last act; Miss Pope, too, is a practised Figoro

Jonathan Miller's English
National Opera production of
Figuro, given many times since
its first appearance in 1978,
returned on Wednesday night
for another round of performances. This has always seemed

Marcellina was both times
unaccountably thrown away).
The singing is light for the
earlier scenes, very prettily
turned later on. To both
women Anne-Marie Owens'
sturdy Marcellina provides a
dependable foil.

Jacek Strauch, an English baritone who has had to gain his opera experience abroad, makes a delayed ENO debut. It is an imbalance in this production that the female characteristics. duction that the female characters should seem so consistently sharper and quicker than the male; but Mr Strauch's Count, half swollen Rowlandson satyr, half scheming schoolboy, makes good the error more effectively than his predecessors, and sings well, though the voice sounded more backwardly projected than one remembered. John Tomlinson, Miller's original Figaro, booms less thunderously than before elude him, and the games of wits suffer.

There is a perky little Cherubino from Ethna Robin-son, a delight to watch, rather less so to hear (a good voice short on legato and tonal wieldiness). Some might feel Strong point in the last act; sets invited. The performance was Pope, too, is a practised Figure decently prepared, unlike the artist, though she needs to discompany's Tropatore last play more flashing temperament, more vividness with the words (the taunt of "Your age!" rehearsal time?

Lust for life: Hollywood biographies Rock Hudson: His Story by between glorified scandal-sheets perfect foil to everyone else. Simplicity. She could be according to Laurence Leamer, Rock Hudson and Sara David, and tittle-tattle from Tinsel Rock Hudson: His Story is at the same time—as wholesome was Sam Goldwyn. Michael

Rock Hudson and Sara David-

they part company.

Most film luminaries, if truth be told, are different from the rest of us in no respect beyond having a teeny bit more talent and an enormous amount more luck. Rock Hudson, for instance, was a strikingly unremarkable company of the Hollywood stars. Are we really all so hungry to know what Kate Hepburn has for breakfast, what Beite Davis what Kate Hepburn has once said to her pedicurist, why Ingrid Bergman could not let as man alone, or how Rock Hudson kept the newshounds from his bedroom door for two decades as Moviedom's ace virility symbol?

The answer, of course, is yes.

(or woman) meet and where they part company.

Most film luminaries, if truth be told, are different from the rest of us in no respect beyond having a teeny bit more talent and an enormous amount more luck. Rock Hudson, for instance, was a strikingly unremarkable commous. But oddly, for all Miss Davidson's efforts to suggest the contrary, Hudson emerges here as variner, less sympathetic and lucrative career as Mr Handson revealed his disease to the world only under great pressure from friends and not willingly at all. (There goes the Gay Rights hero image.) We also hear much about Rock's love life, career crises and reportedly irresistible sense of humour. But oddly, for all Miss Davidson's efforts to suggest the contrary, Hudson emerges here as variner, less sympathetic and lucrative career as Mr Handson revealed his disease to the world only under great pressure from friends and not willingly at all. (There goes the Gay Rights hero image.) We also hear much as a stone gathers moss, simply by rolling as variner, less the Gay Rights hero image.) We also hear much as to willingly at all. (There goes the Gay Rights hero image.) We also hear much as to the Worldon's efforts to suggest the contrary. Hudson emerges here as variner, less sympathetic and not willingly at all. (There goes the Gay Rights hero image.) We also hear much as to be also hear much as tone wather of the most of the flay have also hear much as tone of the

Rock Hudson and Sara Davidson (Weidenfeld and Nicolson, 510.95, 234 pages)

As Time Goeg By: The Life of Ingrid Bergman by Laurence Learner (Hamish Hamilton, 512.95, 349 pages)

The Goldwyn Touch by Michael Freedland (Harrap, £9.95, 254 pages)

Katharine Hepburn by Anne Edwards (Hodder and Stough

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PRANCIAL TIMES

as a breakfast cereal, as radiant Freedland's The Golden Touch as Saint Joan and as romantic-ally beautiful as Garbo. No wonder that she shook the world when she ran off, leaving husband and daughter, to love and marry Robert Rossellini. Were there dark passions under the saintly incandescence? Leamer says yes, many times

Leamer says yes, many times over. The Rossellini episode, he claims, was but the well-publicised tip of an iceberg: if iceberg is the right word for the torrid desires that had Bergman falling in love and/or into bed with almost every male star she worked with. And with several propropriectors; such as several non-movie-stars: such as musician Larry Adler and photographer Robert Capa.

It is a heady tale, its impact vitiated only by Miss B's inability to give her own version in self-defence. One suspects that men too sometimes play the "kiss and tell" game: if only to get back at a woman who outshone all of them on screen and most of them off it. One man Bergman never

gives us a routine but readable roup through the mogul's life, career and Goldwynisms. The career and Goldwynisms. The last, as always, steal the show. "When I want your opinion, "Il give it to you"; "My autobiography should only be written after I'm dead"; and my personal favourite, Goldwyn's reply to someone who thought that the script for Dodsworth was too caustic, "To hell with the cost; we're going ahead." Entertaining and informative.

Those still hungry for the lives of the glitterati, with or without malapropisms, can pan for the revelations in Anne Edwards's Katharine Hepburn and Alexander Walker's Bette
Davis. The first is well researched and decently written,
if a touch less lively than it
might be. The second, part of
Pavilion's "Celebration" series of star tributes, is written with characteristic Walker wit, often waspishly in tune with the persona of its subject.

Nigel Andrews

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Dated: August 29, 1988.

Continued from Page 18

the Prado collection includes works not seen for 15-20 years as well as recent acquisitions. Tiepolo, Bayen, Meala, Paret, Juan Bautista, Meags. Palacio de Villahermosa, Plaza de las Cortes 6, Ends Sept 30.

NEW YORK

Metropolitan Museum of Art: 40 Impressionist and early modern paintings from the Hermitage in Leningrad and the Pushkin Museum in Museum indude works by Picasso, Matisse and Chagall rarely seen in the West. Ends Oct 5. bit Blatas's paintings, drawings and sculptures of Three Penny Opera covering 12 scenes and 11 charac-

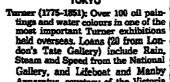
ters, were inspired by the historic Theatre de Lys production in 1954 starring Lotte Lenya, Ends Oct 15.

Museum of Modern Art: Vienna 1900, including 700 paintings, designs and objects, covers silverware, jewellery, furniture and ceramics, with the Successionists like Klimt and his Golden Style, as well as Kokoschka and Schiele in a comprehensive exhibit that illuminates the birth of modernism. Ends Oct 21.

Cooper Hewitt Museum: Hollywood, Legend and Reality celebrates the history of America's greatest popular culture in all its excesses and intimacles through the various crafts like production, direction, editing and special effects. Ends Oct 25.

WASHINGTON

National Gallery: Viennese Renaiss-ance sculpture from the Kunsthisto-risches Museum includes work by Bertoldo di Giovanni, Andrea Brios-co, and Alessandro Vittoria. Ends Nov 30.



Apparatus, courtesy of the Victoria and Albert Museum. Tokyo Museum of Western Art, Ueno Park. Sponsored by Nihon Keizai Shimbun and British Council. Ends Oct 5. Closed Mondays.





No one so far is ready to give enswers to those questions. Boeing merely says its new 7J7,

which it will start to canvass round the world's airlines next

spring and early summer, will be offered at "an affordable price," but it is difficult to see how it could be less than, say,

\$25m an aircraft, if current in

vestment is to be recouped. Such

a price would appear to be com-petitive with other aircraft of

the same size. In view of current airline financial difficulties, sell-

ing the prop-fan engine concept to the sirlines may prove the hardest part of the manu-facturers' task in getting the

new propulsion system of the ground. There is already an

investment of many billions of dollars in existing airline jet-

powered fleets, apart from mas-sive outstanding order books for

jet aircraft yet to be delivered

The airlines—and their financing institutions—will not want to see any part of those investments jeopardised by the

emergence of the prop-fans. In the event, however, the promise

of those massive fuel saving may swing the balance. Never

theless, both Boeing and Mc-Donnell Douglas, the leaders in

the prop-fan airliner stakes, do not appear daunted.

of the Douglas Aircraft Division of McDonnell Douglas; says:

we can watch it happen: but it will happen. We intend to make it happen, before anyone else."

General Electric echoes the sentiment. It argues that the transition from current turbo-jet and turbo-fan engines to the

prop-fan concept will be similar in magnitude to that from

No technological

Mr Jim Worsham, president

FINANCIAL TIMES

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Friday September 5 1986

Industry's besetting sin

Chancellor's address to the Scot-tish Confederation of British Industry last night was the re-Industry last night was the revival of an enterprise culture in the UK. Government and industry, claimed Mr Lawson, had together succeeded in turning the economic tide: at last a framework had been created in which business could flourish. Lurking beneath this surface and ordinary workers — than Lurking beneath this surface optimism, however, was what appeared to be a quite profound disenchantment with industry's response to government policy.
The telling part of the Chancellor's speech was the section dealing with industry's "weak-

nesses."

Many — perhaps most — postwar British governments bave ended up believing that industry in some sense "failed" them. Labour governments under Mr Harold Wilson and Mr James Callaghan constantly districted buriers for failing to ori rames canagnan translandy criticised business for failing to invest sufficiently. The Con-servative government of Mr Edward Heath in the early 1970s quickly became exasperated with industry's lack of response to its initiatives. It is not surprising, therefore, that Mrs Margaret Thatcher's administration is succumbing to the temptation to lecture indus-

try on its shortcomings.

There is no denying that politicians have a point. British industry has scrapped old plant and greatly reduced its payroll, but still seems incapable of expanding from its new, lower-cost base. The CBI expects manufacturing output to fall by about 1 per cent this year and grow only very sluggishly in 1987. This is disappointing given the scale of rationalisation that has occurred and the weakness of the recovery since 1981.

Highly successful

The CBI also pointed out earlier this week that UK exports are growing at only about half the rate of increase of world trade. This means that, in spite of a recent devaluation of sterling of about 20 per cent against the D-mark, the UK is continuing to experience a rapid contraction of its share of world markets. This relative failure will become more noticeable as the revenue from North Sea oil starts to tail off sharply.

Some British companies, of

course, are highly successful; there are pockets of brilliance even within manufacturing. The problem is that govern-

THE OFFICIAL theme of the ment policies have not yet Chancellor's address to the Scot-tish Confederation of British board industrial renaissance which is so badly needed and ordinary workers — than their competitors overseas, and yet at the same time doing much less to secure their long-term share of markets. Excessive awards

The dilemma for a noninterventionist government is how to react to such developments. Ministers in the past have argued that market participants know best that politicians are in no position to lecture businessmen. Mr Lawson seems to be moving cautiosuly away from this posi-tion; last night he found fault with industry's decisions on research and development, training and pay.

training and pay.

The criticism is not without foundation. Civil R and D spending, as a proportion of GDP, is only about half the level of competitor countries. West German industry, with a similar-sized workforce, spends three times as much as British presence on training. Unit three times as much as British business on training. Unit labour costs in the UK are rising at an annual rate of about 7½ per cent compared with under 2 per cent in the US, France and West Germany. Industry's "besetting sin," according to Mr Lawson, is its tendency to take a short-term view. This, he thinks, explains view. This, he thinks explains the inadequate investment in R and D and training, and the excessive wage awards. Exhor-tations to take a longer-term tations to take a longer-term view, however, are in themselves pretty futile. The Chancellor needs to explain why industry, freed of many of the constraints imposed by previous governments and subject to evaluation by the capital markets, should be so myopic. He also needs to explain more the properties of thing that the existing turbout the lure of the properties of th surely, merely on the basis of international comparisons. Mr Lawson would then be in a position not merely to lecture industry but to recommend some practical steps which might be taken to encouarge longer-term horizons in busi-

Nonsense of a minimum wage

larity by British trades union movement and the Labour Party adopt proposals which under-mine the attempts of both to throw their policies forward to match the economic and social conditions facing the country and Development suggested fore the foreseeable future. fore the foreseeable future. The agreement at the Trades Union Congress in Brighton this week that a future Labour this week that a future Labour government should introduce a statutory minimum wage of at least £80 a week brings the unions into line with official Labour policy adopted at last year's party conference. This puts the labour movement firmly on the wrong foot. If the body politic of the Labour Party and the union movement

still cannot differentiate be-tween minimum wages and minimum incomes it raises serious doubts about its ability to offer any viable solutions to the vexed issue of poverty. The fallacy of chasing a policy of a national minimum wage was encapsulated by one of its main proponents at the TUC conference. Mr Rodney Bickerstaffe, general secretary of the National Union of Public Employees, said during his impassioned plea for its adopimpassioned plea for its adop-tion: "If it's OK for the Torles to bring in laws making the rich richer, it's OK for us to bring in laws to stop the poor getting poorer." In reality, a national minimum wage has by descrition no direct impact on definition no direct impact on non-wage earners. No benefit would be derived by the millions of old age pensioners whose income is below £80 a week. Nor would it help the

and long-term unemployed. Social justice

Indeed, not only does international evidence suggest that national minimum wage legis-lation is often unenforceable because significant numbers of people are willing to work for lower wages in preference to no wage—but it also suggests that youth unemployment may be made worse by the imposi-tion of a statutory minimum. Of Britain's EEC partners, France has the most significant national minimum wage legis-lation. The salaire minimum unhelpfully into the dogma of interprofessional de croissance has existed since 1950 aud guarantees an hourly minimum working families and will to all full-time workers aged certainly not reduce poverty

wage increased sharply, rela-tive to both average earnings and the price of goods produced by industry.

An analysis by the Organisa-tion for Economic Co-operation social justice which motivated the rise, it was counter-productive because it encour-aged employers to hire older workers or install new mach-chinery rather than pay high wages to young people, thus worsening teenage employ-It is hard enough for school leavers in Britain to find work

of any description, a problem exacerbated by a labour market which remains fairly rigid in spite of the Government's efforts to make it more flexible. A national minimum would represent the very worst kind of intervention, reducing rather than enhancing the chances of a first job for teenagers; no hairdressing salon is going to employ anyone from the abundant pool of eager trainees at £80 a week,

Poor people

The real problem in Britain is not low wages but low incomes. There are too many poor people in Britain relative on average earnings. Those with incomes which are too low include the unemployed, pensioners, low-paid workers, many single parents and many

disabled people.

The urgent need is for a system of raising minimum incomes through a new system of redistribution which makes the taxation and benefits systems work with, rather than against, each other. Much work is being done on this subject lengthening queue of the short is being done on this subject. party analysis to cross-party research by organisations such as the Basic Income Research Group. So far it has not been possible to construct an equation which substantially raises minimum incomes with out placing an intolerable burden on middle range income tax payers. But that is no reason the past. Raising low pay will probably not reduce poverty in working families and will 18 and over. After President elsewhere: raising minimum Mitterrand's Socialist govern- incomes will.

Electric of the US, describing the progress of its revolution-ary new concept of aircraft pro-

pulsion, the prop fan.
But they could just as easily
be applied to all of the strange
new shapes appearing on the
stands of the major airframe ating the airfield at this year's Farnborough international air

Much has happened over the

the new prop-fan engine was greeted with scepticism. Since then the prop-fan bandwagon has begun to roll with increasing speed and virtually every major airframe and engine manufacturer in the world is now climbing on board.

What caution remains focused on the timing of the emergence of the prop-fan, rather than on the technology. prop fan engine development has since risen to well over \$1bn a year, and continues to grow while spending elsewhere is also increasing rapidly.

It is a concept which could It is a concept which could be revolutionise the economics of civil aviation. The proprian lengine offers the promise of savings of up to 40 per cent in fuel consumption over today's generation of turbo-fan (jet) engines, or 25 per cent compared with the new-generation jet engines already under development for service. under development for service in the early 1990s. Even with the recent reductions in fuel prices such savings are eagerly sought by the airlines which face constantly rising costs in

What precisely is this concept of propulsion? Fundamentally, it is an extension of the already well understood principle of turbo-prop power, in which a propeller is harnessed to a gasturbine engine. The difference with the prop-fan lies both in the propellers themselves, which are shaped like ships' screws rather than conventional design of the gas-turbine engine which gives more power output for a specific volume of fuel consumed. When married

THE NEW AERO-ENGINES

A path to cheaper flight

By Michael Donne, Aerospace Correspondent in Farnborough

HIS is the future. Believe concept, with many different it . . . it works." The names. But all employ this words come from General fundamental principle. fundamental principle.

turers (General Electric among them, which has a clear lead in developing the engine and is the only company yet to have tested it in flight) argue strongly that prop-fan engines and aero-engine companies in do not need gearboxes. GE's the big exhibition halls domin-current "Unducted Fan" version of the prop-fan, which made its maiden flight recently at Mojave in the California desert, mounted on a Boeing last two years since the previous Farnborough show in 1984, when General Electric's amountement that it was embarking on the development of the new prop-fan engine was greated with senticipus Since others. others).

What has emerged at Farn-borough, and what is so signi-ficant for the future of the air transport industry, is that the prop fan concept has blossomed into a veritable forest of different types from the seeds sown by General Electric two emergence of the prop-fan, rather than on the technology.

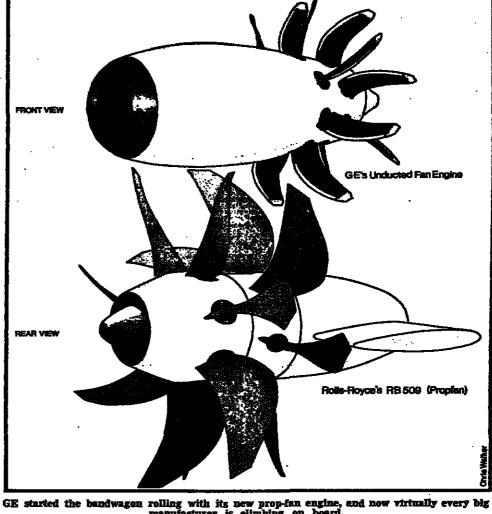
First explored under a joint General Electric/National Aeronautics and Space Administration study contract for only a few million dollars in 1984, overall US investment in the prop-fan engine development has since risen to well over \$1bn a year, and continues to the fact that a prop-fan engine the fact that a prop fan engine has actually been built and is flying appears to have convinced most of the sceptics that they can no longer ignore the deve-lopment. The appouncements of new prop-fan ventures this week have thus been flowing

Boeing, the world's biggest

The economics of civil aviation could be

considering the possibility of a complete "family" of prop-fan powered airliners.

These will include a new, smaller prop-fan airliner, seating between 100 and 110, that would rival the smaller MD-91X 100-seater prop-fan, now under development by McDonnell Douglas, and intended for service in 1991. Beyond that, Boeing is considering a prop-fan version of its big 747 Jumbo to the 747-500 for service in



in the 1990s, in place of the four jets now used. Similarly, Fokker of the Netherlands, which is building its twin-jet now flying—and that, according airliner, the F-100 for service later this decade, is also looking aight of the first prop-fan at the possibility of converting to prop-fans some time in the 1990s.

Rolls-Royce has made a big splash in the prop-fan pond at

Even Airbus Industrie, which is building the A-320 twin-engined advanced technology airliner for service later this decade, as a 150-seater, has bowed to the inevitable, and now admits that it would be ady to instal prop-fans on its airliners "when they have been developed and ensure sufficient maturity and economic gains

Among the engine manufac-turers, Pratt & Whitney of the value, for the prop-fan concept flight. design of the gas-turbine jet, the 747-500, for service in the mid-1990s, and is also takent output for a specific volume of fuel consumed. When married together, the result is the prop-fan.

What has become apparent at this year's Farnborough show is that there are now many different ent versions of the prop-fan are prop-fan airliners. In the fallison determined for service in the mid-1990s, and is also takent of the mid-1990s, and is also takent will be test-flown next year on a McDonnell Douglas MD-80 airliner. McDonnell Douglas MD-80 airliner. McDonnell Douglas will also test-fly a second version of the General Electric engine, which will differ in design from the engine now flying. This will still have two

McDonnell Douglas and General Electric, will result in a much

splash in the prop-fan pond at this year's Farnborough. It is showing models of three possible prop-fan engines on its stand, including a massive "Contra-fan" engine of a type that would be suitable for Jumbo jets, a smaller "Super-fan" for use on medium to fan" for use on medium to long-range airliners and another "prop-fan" for use on short- to medium-range air-

lies with the big engines on the long-range airliners of the future, and much of its work is now concentrated in

of existing types of airliners.

could damage the market pros-pects of its own four-engined configuration of any prop-fan jet-powered Type 146 airliner, engine), but instead of having and it has begun detailed eight blades on each hub, it will studies on installing two prop-fans on that aircraft some time in the 1990s in place of the ducts or nacelles for its prospective engines, making those engines safe to insta under wings. At present, the

engine flying with General Electric and Boeing, and several of the other engines in prospect are what are called "open rotors"—that is, their blades are unshrouded. There

obstacles remain,' says General Electric

piston engines to jets in the late 1940s and early 1950s. General Electric believes that the prop-fan era is already here. "No technological here. "No technological obstacles remain," claims its blades are unshrouded. There are some who believe this is not desirable, especially while aircraft are on the ground, and that it increases the risks of blade damage in flight.

These are issues which the industry by 13 per cent, with vast prop-fan programmes now industry by 13 per cent, with under way on both sides of the Atlantic still have to resolve, along with such battles as "blade containment"—preventing blades from shearing off in Making those claims come true is the task that General

Making those claims come true is the task that General the long-range airliners of the about all this activity? Those frame and aero-engine manufacture, and much of its work is now concentrated in Rolls-Royce points out that to get the best share of the market, it is necessary to build prop-fan engines that can be mounted underneath the wings of existing types of airliners.

What do the airlines feel true, and all the other activity. Those frame and aero-engine manufacturers frame and aero-engine and aero-engine and aero-engine frame and aero-engine f

Right problem for M'Bow

A SHAKE-UP has just taken place in the French delegation at UNESCO which could be significant for the future of the trouble United Nations agency for education, science,

Jacques Chirac, the French conservative prime minister, has decided to replace Gisele Halimi, the French permanent delegate at UNESCO, appointed by the former socialist govern-ment with a woman from his own fold.

The new French delegate is Marie-Claude Cabana, the wife of the current minister for major administrative reforms,

Camille Cabans.
He was in charge until recently of the government's privatisation programme before being appointed to the administrative reform portfolio.

Like her husband, MarieClaude Cabana, aged 42, has
been a close aide of Chirac. The departure of Gisele Halimi, a major figure on the French feminist scene, is not surprising. As a diplomat she proved prickly and difficult. Apart from founding and lead-



service to a National Mini-Wage in here you

Men and Matters

ing a number of feminist move-ments she made the headlines as the passionate defence law-yer of the Algerian independ-

The change in the French delegation is important because it comes at a crucial moment in the chequered history of UNESCO.

France is likely to play a big role in coming months in the manoeuvres for election of a new UNESCO director-general.

Amadou M'Bow, the controversial present DG from Senegal, is campaigning for a third term when his current mandate runs out in October next year. But his management of UNESCO was one of the reasons for the withdrawal of the United States and Britain from the agency — plunging UNESCO into a financial crisis. Most western nations would like MBow to be replaced next year. But the resolute director-general can count on the support of most developing and on-aligned countries.
France is perhaps the only

country which could swing the decision one way or the other.

Naturally France likes a flourishing UN agency in Paris. And Chirac is said to find M'Bow an agreeable man.

Uhrig's rise

The appointment yesterday of John Uhrig as chairman of the RTZ - controlled Australian mining house, CRA, will not create ripples in the investment community, as did Sir Roderick Carnegie's decision to quit the iob at the end of the year.

Carnegie is best known as the maverick who agitated openly to have RTZ reduce its holding in CRA to the point where the Australian public had control.

given that RTZ is hovering just above the 50 per cent mark, Carnegie was satisfied with his achievement to this point, and apparently convinced that the "Australianisation" of CRA would come eventually.

That achieved—and having apparently been rebuffed by Sir Alistair Frame, when he wanted to rescue BHP from Holmes à Court earlier this year — Carnegie decided to move on.

He has already snapped up the position as head of the Business Council of Australia has been mooted as a possible BHP chairman if his protege John Elliott, gets control, and has even been mentioned as a prospective opponent of his former Oxford University friend, Bob Hawke, in the political arena.

Uhrig joined the CRA board as a non-executive director in 1983, while still managing director of the white goods group Simpson Holdings. He stepped down as chief executive at Simpson a year ago.

Like Carnegie, Uhrig has his contacts in Canberra. He was chairman of an inquiry into the Industries Assistance Commis-sion in 1983, and a foundation member of the National Com panies and Securities Commis sion, the government body which administers, takeovers.

Paper money

Amid the howls of pain from the energy industry it is heartening to hear that some people can still make a killing

Three journalists—Patrick Coyne, Jacquie Maskell, and John Murray—have just sold the lively energy magazine

Energy Manager for £330,000 to the Maclaren division of East Midlands Allied Press. I understand that they them-selves paid less than £10,000 for it five years ago, when IPC (which had launched it less than two years earlier) saw no future for it, and decided to sell

it to the staff.

Led by Coyne, a nuclear physics graduate, they built it into the leading journal on energy-using equipment. The staff of six also runs a thriving exhibitions business.

They are selling, says Coyne, because they received such an attractive offer. But with the oil price fall, and reducing interest in energy conservation, he and his partners presumably feel it has less potential than in the past.

The trio is also seeking a buyer for its company's remain-

ing assets — two technical

Low tech answer? It looks as if humans will be replacing robots for some straightforward work in modern factories.

A psychologist told this cautionary tale yesterday at the British Association's conference in Bristol. Dr Toby Wall of Sheffleld university said engineers had been asked to design a new factory to make bicycle pedals, using an existing shopfloor with two parallel conveyor

tracks.

The engineers lined one con-veyor with the latest computercontrolled machine tools mak-ing the parts, and the other with computer - controlled assembly machines for the pedals. At the end they posi-tioned a robot to pick up finished parts and place them

on the track. The system worked. But eventually the engineers removed the robot at the end of the line and put a human operator in its place.

The reason, they explained, was because the task "made such little use of the robot's potential and capabilities."

Observer

A CONFLICT **OF INTERES**1

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THE INDEPENDENT PENSION FUND MANAGERS

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a letter about what is happening in London at the beginning of september. The short response is that nothing much has changed. The tourists came back in August. There is rather a good revival of "Rookery Nook" at the Shaftesbury Theatre of Comedy; there was a fascinating comedy; onere was a rascinating premiere of electronic music by Jonathan Harvey at the Proms, though the audience was thin. One novelty is that Wimbledon Football Club is top of the first division. The weather has been the pleasant.

none too pleasant.
The interesting question, however, is why everything is so quiet; almost cerily so. If you have been abroad for part of the summer—in France or West Germany, for instance —you can hardly have failed to

motice the contrast on your return. Britain, or at least London, still seems to be relatively pleased with itself. Yet the standard of living in other European countries steadily rises above ours. It is as if the statistics showing superior sense demectic products as at the statistics showing superior gross domestic product per head can now be read in people's faces, in their clothes, in the streets and shops of continental Europe. And yes, though it is impossible to back it up other than anecdotally, it looks as though the Faces and looks as though the French and the Germans have become happier, certainly more self-confident, than we are.

city that I know reasonably well Gove and which has been rebuilt sion. and which has been rebuilt several times since the war. The revelation was the gaiety of the place. Young people walked through the streets and stopped to watch jugglers. Young and old people walked happily along the banks of the Rhine. It was a different world from an English city. It used to be said that the Germans tried to relax out of duty. Nowadays they do it for pleasure.

I went briefly to Cologne, a

Foreign visitors to, and adas a kind of censor.

mirers of, Britain are too kind
to us. What they see as stability
ing heavily towards L

roreign visitors to, and admirers of, Britain are too kind to us. What they see as stability might be better described as complacency.

Two typically British stories struck me when I came back. The first was about the introduction of visas for people from some African and Asian countries wishing to visit Britain. You may have seen the scenes at London Airport's Terminal Three: crowds of blacks held up for questioning while you walk through more or less unchallenged. No doubt some of them are potential illegal immigrants. Yet there must be some better way of dealing with the problem than obliging the facilities and increasing the staff at Heathrow, for example. Once visas have been introduced, they are going to be seen better way of duced, they are going to be seen better way of duced, they are going to be seen better way of duced, they are going to be some better way of dealing the facilities and increasing the staff at Heathrow, for example. Once visas have been introduced, they are going to be seen better way of duced, they are going to be seen better way of dealing the facilities and increasing the staff at Heathrow, for example. Once visas have been introduced, they are going to be seen better way of duced. The Government will and take its hands off it and warm enough to do so, but any other party agreement before an old-fachloued liberal, it is also in some disarray. Dr David Owen and Mr David Steel have

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Politics Today

It could be the calm before a storm

By Malcolm Rutherford



Mr Neil Kinnock (right) receives a standing evation, led by Mr Fred Jarvis, general secretary of the National Union of Teachers, at the TUC Congress, Brighton.

The other was about the successor to Mr Stuart Young, who died last week, as chairman of the BBC. There is a lot of humbug about this. Everyone knows that the chairman has very limited powers over broadcasting, yet there is more than a suspiciou that part of the Conservative Party—Mr Norman Tebbit, for instance—would like to put in someone to clean up the corporation: to act, in fact, as a kind of censor.

The Prime Minister is lean-

very difficult to get rid of. It looks enormously like discrimination, and one cannot say with confidence that the British Government minds that impression.

The other was about the successor to Mr Stuart Young, who died last week, as chairman of the BBC. There is a lot of humbug about this. Everyone knows that the chairman has very limited powers over broad-certing wat there is more than

Again, there has been the confusion about the Social Democrats proposals for the reform of tax and benefits, form of tax and benefits, published two weeks ago and now apparently shelved. Simplification of the tax and benefits system used to be one of the best planks in the platform. They messed up the figures and did not sufficiently consult their Liberal partners. It has become harder to see the Alliance as what Mrs Shirley Williams once described as Britain's "last best hope."

For my part, I have never seen why it is impossible to be both green and pro-nuclear-energy; conserving the best of

to the \$15 a barrel which was the basis of the assumptions in Mr Lawson's Budget, so there may be some comfort there. The pause in economic growth that the Chancellor acknowledged in June has still not come to an end, though it is still too early to say that it will turn into a full-scale recession. Mr Lawson is no doubt looking forward to the forthcoming meetings at and around the International Monetary Fund in the hope that the Germans and Japanese can be persuaded further to stimulate their economies. There might then be a fall in British interest rates, which is the best he has to offer in the near he has to offer in the near

Unemployment has continued to rise, though so far without the expected political eruption. Perhaps that will come at the party conferences with the realisation that we may be going into another winter with the figure still rising. A sort of preview of the party

conferences took place at the Trades Union Congress in Brighton this week, Two facts

stood out about it. One was the relatively subdued behaviour of the unions. They so desperately want the Labour both green and pro-nuclearenergy: conserving the best of
the old while pressing ahead
with the best of the new. It is
a task that may be eluding the
Conservative Party.

But, you will say, it will all
depend on the economy. Politics
always does. Here there is not
much emilghtenment since the
early summer. The oil price
seems to have stabilised closer
to the \$15 a barrel which was
the basis of the assumptions in

The other fact was the performance of Mr Neil Kinnock, the Labour Party leader. Last year he took on the extreme left at the Labour conference in Bournemouth and more or less won. This time he made it perfectly clear that he wants a rather more arm's length relationship between a Labour Government and the unions than has been the case in the

Mrs Thatcher knew in 1979.

Can he make it? The odds must be against him. Under his leadership, Labour's support in the opinion polls has never the opinion polls has never risen significantly above 40 per cent. The party has often done rather less well than that in by-elections. There is also still a tendency to overlook the Alliance, which he never mentioned in his speech. The Liberals and the Social Demorats way he having their crats may be having their quarrels, but together they still

quaries, but together they still pick up votes. There may be an anti-Thatcher majority in the country, but her Government is still helped by the existence of two oppositions. Besides, for all the banana skins of recent years, Tory support in the polls has never slipped much below 30 per cent. Yet there is just one other way of looking at it. All the economic logic dictates post-poning the election until 1988

than has been the case in the past.

Though sceptics may dismiss when unemployment may at last have begun to fall and there this, there was something else about Mr Kinnock that rounds of tax cuts. But the impressed. It was his realisation of the scale of the task facing any British Government that wants to turn Britain round and catch up with the French and the Germans, or at least stop falling behind.

Mrs Thatcher knew in 1879.

Denote the election until 1988 when unemployment may at last them to borrow much cheaper than they lent.

What they really offer, as Congdon is perhaps too kind-hearted to point out, is reputation. A bank deposit or a bank guarantee or acceptance used to be worth something in hard cash—as it still is in London. In the international and US markets, though, many reputations are in shreds; solid commercial borrowers can get better them to borrow much cheaper than they lent.

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Lombard

Securitisation is a five-letter word

By Anthony Harris

raised \$400 with an issue of fisating-rate notes in the finest possible terms—which is not, of course, the first time the reserves have been replenished from this source. However, things do change. A few years things do change. A few years ago, such a loan would have been arranged through a syndicated credit, probably accompanied by a good deal of chest-thumping; and at that time the finest terms, however fine, would still have left some sort of margin for the lending bank. Now the Government can raise money more cheaply than the banks can and so can a

A pendantic footnote? That may be what the banks would like you to think; but as Tim Congdon of Messels illustrates in a circular this week, this growing tendency to raise money direct from investors— securitisation is the current Americanism for it—is not just a matter of fashion. It expresses something nasty that is happen-ing to the banks; the plain English for it is "decay."

Credit flows, both in the Euro-markets and in the American domestic market, for that matdomestic market, for that mat-ter, are by-passing the banks because the banks are increas-ingly mable to compete. Banks can still save trouble for inves-tors and borrowers, offering each precisely tailored terms and quantities, but that was never really the edge that en-abled them to borrow much cheaper than they lent.

THIS WEEK the British change. Because of bad debt Government almost casually worries, the banks have been raised \$40n with an issue of required to find more capital to required to find more capital to back any given volume of busi-ness, and for the same reason their market rating has suffered. This has made it more expensive for them to do

At the same time the fierce competition for any decently high-quality business has reduced the spread between the cost of funds and the return on loans, so that the gross return has gone down as the cost has gone up. Small wonder that US banks are no longer going for growth, and are lobbying furiously to be freed of the restraints of the Glass-Steagall Act, so that they can get into the issuing side of the business. The change has certainly been At the same time the flerce

The change has certainly been dramatic. In the US there has been virtually no growth in commercial bank lending for well over two years. When all the dud loans to commercial the dud loans to commercial real estate, farming and oil have been given up for lost, there will no doubt be a sharp shrinkage. In the Eurocredit market growth has dropped to about 8 per cent annually—and most of this is unpaid interest.

Not in the British credit market, though. The UK banks are entitled to feel a little com-placent about the fact that despite all the traumas of recent years, their standing is still such that most however. years, their standing is still prefer to raise funds through a bank, and sterling investors (by no means all British) are still happy to take up seemingly limitless bank paper.

How long will it last, though? Barclays Bank has already voluntarily gone ex-growth, and as the banks learn new market-making skills they may find that issuing paper yields fee income, ties up less capital, and means less exposure. The and means less exposure. The pursuit of growth leads banks into murky areas. UK bank growth does say something favourable about the banks concerned; but a voluntary with-Mrs Thatcher knew in 1979.

She has every reason to know it still, though after seven years her achievements look limited.

Dr Owen knows it, and rarely ceases to emphasise the extent of the country's relative decline.

Coming from Mr Kinnock, it or is it the calm before a storm?

Time.

Either way, however, do not ter terms on their own name taxourable about the banks concerned; but a voluntary withdrawal from some areas, long before debt worries force a withdrawal, might be more Coming from Mr Kinnock, it or is it the calm before a storm?

Either way, however, do not ter terms on their own name favourable about the banks concerned; but a voluntary withdrawal from some areas, long before debt worries force a withdrawal, might be more Coming from Mr Kinnock, it or is it the calm before a storm?

Employees and takeovers

Sir,—You rightly identify the lack of rights of British employees when their businesses are taken over (editorial September 2) and bemoan the absence of statutory rights to consultation such as exist in Holland and Sweden. But the mechanism does exist in the UK to provide realistic security given, as you say, that acquisi-tive companies serve their own interest by obtaining the views, consent or even enthusiasm of

prospective employees.
The UK Government was slow to implement (by the Transfer of Undertakings Regulations 1981) the 1977 EEC Directive 1981) the 1977. EEC Directive on safeguarding employees' rights. Consultation — but not its more sanguine relation, negotiation — is required with unions recognised for collective bargaining over the transfer of a business as a going concern. Under the directive (but not the regulations) the aim is to secure agreement on measures affecting employees as a result of the deal.

of the deal.

The deficiencies in the present law are that it does not apply in the paradigm and currently topical case of take-overs and mergers by means of share acquisition, or of a transfer of mere assets (includ-ing employees!) or, probably, the privatisation of a public service. Even where the reguservice. Learning to the transfer of a going concern, the Court of Appeal held in May 1988 that job security of existing employees can be disposed of

309 of the Companies Act 1985, to consider the interests of employees, could overcome some of the inhumanity caused by the lack of employees' rights in the current elimate.

Jeremy McMullen.

15 Old Square,

Lincoln's Inn., WC2.

Light rail systems

From the Director. Railway Industry Association

Sir.—The London docklands redevelopment is one of the most exciting and encouraging

Letters to the Editor

cial railway services opened in England in the 1820s, the railways have been a vehicle for social and industrial advance. Therefore it is no surprise to those of us who work in the railway industry that modern railway technology is having the same effect in London docklands as the first railways had in England in the early years of the industrial revolution.

What is surprising is that we in Britain are lagging behind our industrial competitors in Europe, Japan and the USA in investing in light railway systems as an aid to industrial regeneration in the inner cities.

regeneration in the inner cities.
In Britain today light rail
systems are being mooted in
Birmingham, Manchester, Shef-Birmingham, Manchester, Sheffield and several other major cities. The success of docklands coupled with the evidence available from the Continent of Europe points the way to a major programme of investment in light railways in Britain in the next decade. It is long overdue,

D. R. Gillan,

9 Catherine Place, SWI

Forestry investment consultation From the

Director, Economic Forestry

of Appeal held in May 1988 that job security of existing employees can be disposed of very simply by the transfer deeds.

Amendment to the regulations, and emfortement of directors' duties, now in section 300 of the Companyees Act 1988 land, in which separate references have been made to the Economic Forestry Group and to tree planting in Scotland. Emphasis has been placed on Emphasis has been placed on the attractiveness of forestry investment for people who pay income tax at the highest rate ting up equivalents to the Scottish Development Agency in the English regions. being supported by government planting grants. In the UK alone the cost of producing and sell-ing surplus grains would pay for these forestry grants at cur-rent levels for the next 100

To qualify for the grants available all planting by private landowners is subject to a conredevelopment is one or the most exciting and encouraging projects being undertaken in Britain today. Its imaginative approach to the hlight of urban decay is surely an example which other cities throughout the UK can follow.

My Cliff Parastt (August 21) | Horself of Commission and certain conservation and amenity interests are consulted for their views. Economic quite clearly that more convenience of the co which other cities throughout the UK can follow.

Mr Cliff Bornett (August 21) attributes some of the success of the docklands redevelopment to the new light railway system which forms an integral part of the project, He goes so far as to say that the railway is succeeding beyond all expectations in stimulating the regeneration of the docklands.

We cliff Bornett (August 21) for their views. Economic tional financial institutions do not provide for the investment needs of the smaller company. In closing the funding gap accepted the ultimate decision. The Government recently conditions of the project, He goes so far as to say that the railway is succeeding beyond all expectations in stimulating the regeneration of the docklands.

We would be the same investment needs of the smaller company. In closing the funding gap accepted the ultimate decision. The Government recently conditions of the smaller company. In closing the funding gap accepted the ultimate decision. The Government recently conditions of the smaller company. In closing the funding gap accepted the ultimate decision. The Government recently conditions of the smaller company. In closing the funding gap accepted the ultimate decision. The Government recently conditions of the smaller company. In closing the funding gap accepted the ultimate decision. The closing the funding gap accepted the ultimate decision. The closing the funding gap accepted the ultimate decision. The closing the funding gap accepted the ultimate decision. The closing the funding gap accepted the ultimate decision. The closing the funding gap accepted the ultimate decision. The closing the funding gap accepted the ultimate decision. The closing the funding gap accepted the ultimate decision. The closing the funding gap accepted the ultimate decision. The closing the funding gap accepted the ultimate decision. The closing the funding gap accepted the ultimate decision. The closing the funding gap accepted the ultimate decision. The closing the funding gap accepted the ultimate deci of the project. He goes so far as to say that the railway is succeeding beyond all expectations in stimulating the regeneration of the docklands.

Ever since the first commer—

The Government recently convaluable and complementary valuable and complementary role to that of City institutions.

The "loss of control by the centre" argument does not butions to be made by the prihold water either. The regions Letchworth Lane, Letchworth, Heris,

Contingency fee injustice From Mr S. Crossick

article of August 28 states that the UK needs a contingency fee system. He does not, however, say who would pay the losing party's costs. So long as un-successful litigants are required successful htigams are required to pay the costs of successful ones, any contingency fee sys-tem, to be effective, must make provision for this. The aboli-tion of such a rule would lead to injustice and vexatious lit-gation and create more mis-chiefs than Dr Hermann's sug-vestion seeks to remedy. gestion seeks to remedy. Stanley Grossick. 118-128 Avenue de Cortenbergh

Sir,-Dr Hermann in his

Valuable role of local enterprise From the Managing Director West Yorkshire Enterprise

1040 Brussels.

Board,

Sir,—I read with interest the article by Chris Moore and Simon Booth (August 27) on the merits and demerits of setthe English regions.

The article mentioned the Enterprise Board experience but suggested that they are "ideologically unsound, displace market forces and represent a loss of control by the centre."

While the Wort Verball

While the West Yorkshire Enterprise Board (WYEB) and

Boards — WYEB is active throughout the Yorkshire and Humberside region—does not involve taking over powers and responsibilities from central

If the experience here in Leeds is anything to go by, civil servants and their political masters welcome local initiamasters welcome total tives that offer both an approach and oves that other both an innovative approach and partnership in protecting existing, and creating new, job opportunities.

A. M. S. Pickering Elizabeth House, 9-17 Queen Street, Leeds.

Bloodhounds on the wrong scent From Mr J. Griffiths.

Sir,—Mr Matthews (August 30) is right: no Government in the foreseeable future is likely the foreseeable future is likely to have the nerve to tackle the black economy, which will continue to flourish like the proverbial bay tree. Bad enough, but even more infuriating is the unacceptable face of our fiscal system whereby certain gentry (if that is the proper name to call them by) enjoy, if I amrightly informed, as "VAT inspectors" extensive powers of entry, search and seizure of documents which would be the envy of many totalitarian states. These powers they use, it appears, to make life miserable for the self-amployed and other hard workers whose only offence in most cases, if not all, is to have striven to uphold the fabric of our tottering economy.

A Government with fire

A Government with strength of purpose to give convincing proof of intention to colvincing proof or intention to call off these bloodhounds from their present defenceless quarry and direct their not inconsider-able skill and experience in using the powers with which they have been invested to excising the social cancer of the black economy would deserve a resounding electoral victory. Whether this occurs or not is another matter: the votes of Mr Matthews and myself can hardly bring about an avalanche at the polls, more's the pity. John G. Griffiths,

SDP tax reforms

Sir,—To add to the points raised by Mr M. R. Daniels (August 30) concerning the effect of the SDP's proposals on occupational pensioners there would be the same 31 per cent increase in tax on those over 65/60 (and hence paying no NI contributions) who for one reason or another, perhaps necessity, continue working. Not exactly the best way to win votes, I should have thought. (Dr) F. H. H. Valentin.

Continued growth from a British manufacturing company

"The results for the half year are a new record, continuing the progress which the Group has achieved in recent years."

Ian Butler chairman Reported profit before tax **Year** 1985 £67.6m **Year 1984** Half Year 1986 £52.3m £43.0m £21.7m # 14 m Year 1982 £11.5m

INTERIM RESULTS 30th JUNE 1986

Turnover	1986 £458.3m	1985 £451.2m	1985 £867m
Operating profit before interest	£53.4m	£46.6m	£38m
Profit before tex	£43.0m	£36.6m	£68m
Profit after tax and minorities	£26.7m	£22.7m	£45m
Barnings after tax per ordinary share	19.4p	18.8p	36.3p
Dividends per ordinary share	2.75p	2.4p	7.75p



Cookson Group plc, 14 Gresham Street, London EC2V 7AT

FINANCIAL TIMES

Friday September 5 1986



Lloyd's profit hit by **syndicate** losses

LOSSES at the troubled PCW syndicates cut 1983 profits at the Lloyd's insurance market from £179m (\$268m) to £36m, it was revealed yesterday. The latest impact of the PCW syndicates on the insurance market emerged when Mr Pe-ter Miller, the Lloyd's chairman, presented results for the 1983 trad-

ing year.
In 1982, Lloyd's profits of £130m were cut to £57m by PCW losses.
Mr Miller gave no indication of the PCW syndicates' effect on the 1984 accounts, but confirmed that the practice of identifying them would continue next year if necessary.

Lloyd's, unlike the insurance companies, operates a three-year accounting system. Business in a particular year is kept open for three years before assessing the

Excluding PCW syndicates, Lloyd's results are improving, as forecast in July by the Association

of Lloyd's Members.

Mr Miller said eight of the nine major classes of business at Lloyd's showed an overall profit on the accounts, ranging from modest to sat-

All the trading losses at Lloyd's arose on the general liability account which generated about 12 per cent of premium income in 1983,

Its underwriting losses of £385m were more than three times the combined loss of £115m on the global figure. Even without PCW, the account's bottom line was £172m in

This was an improvement on the 1982 position for hability business. Without it, Mr Miller doubted if any underwriter could have continued to do liability business

He saw signs that the liability market was improving in the US with moves to reform the law. The high level of court awards on liability claims have been a major cause of liability losses.

Mr Richard Outhwaite, chairman of Lloyd's Underwriters' Association, said that despite considerable competition and a depressed ship-ping industry, the 1963 marine ac-count returned a profit of £63m, with only the cargo sector having

Mr David Peachey, chairman of Lloyd's Aviation Underwriters' Association, reported a £24m profit in the aviation market, but warned that 1985 had been the worst year for aircraft accidents.

Mr Peter Stilwell, chairman of Lloyd's Motor Underwriters' Association, confirmed the continued decline in motor insurance business with an overall profit of just £7m. Losses of £231m on the non-marine account, reported by Mr Robin Jackson, chairman of Lloyd's Non-Marine Association, reflected the

problems of liability business.

Overall, Mr Miller claimed that Lloyd's was well placed to profit from the generally improved under-writing climate. Capacity was in-ceasing by some £1.5m with over 3,000 new members for 1987 and existing members - nearly 29,000 in 1986 - raising their financial com-

Olivetti plans to raise \$537m

making acquisitions in a variety of sectors and different countries, ana-lysts point out that it is hard to imagine him spending as much as he hopes to raise this year - a total of \$2.6bn - in the short term.

dustrialist has the solid support of Cofide shareholders such as Brit-ain's S. G. Warburg, Nomura Securities of Japan, Shearson Lehman American Express and Dreyfus Corporation of New York, Banque Group of Saudi Arabia.

France's Lebanon role in Goh ready doubt after bomb deaths

FURTHER doubts were cast on France's long-term participation in the United Nations peacekeeping force in Lebanon yesterday when three French soldiers were killed by a terrorist bomb apparently planted by Islamic militia.

The attack coincided with a dec-laration from the extremist Islamic French policy in the Middle East for being too closely tied to that of the US, and with fresh threats against six French hostages held in Leba-

At the same time, an Arabbacked movement responsible for terrorist bombings in Paris last winter threatened to step up its activities in France if three terrorists held in prison are not released.

with the return to Paris of Gen Vernon Walters, President Ronald Reagan's special emissary to Paris to sound out the French Government on co-ordinated anti-terrorist measures. Having seen President Fran-

he saw Mr Jacques Chirac, the Prime Minister, last night. In official circles yesterday, there was uncertainty over how much the different events are linked. One common thread seemed to be impatience among Islamic extremists with the French presence in Leba-non and renewed efforts by Iran to

extract concessions from France.

Iran has had an intermediary role in the hostage negotiations.

The French Government immediately condemned the killings of its soldiers as "a cowardly" act and re-peated its demands for the UN to redefine the mission of Unifil in a way that would guarantee its safety. In practice the French want other countries to increase their participation and to relieve French troops of some of the dangers to which they are currently exposed.

President Mitterrand said yester-

day that France wanted a " stronger better organised" Unifil force and reaffirmed France's commitment to Lebanon. But he also added that the condi-

tions in which the force was operat-

ing had to be closely examined. With 1,500 men in the Lebanon the UN contingent. The unspoken assumption is that unless French conditions can be met, France would review its contribution to the force - thus effectively bringing it to an end.

cies in the Middle East came in a statement from the Islamic Jihad movement that accompanied a video cassette showing Mr Jean-Paul Kauffmann, one of the French hostages in Lebanon. He described nimself in total despair and said that urgent action was needed if his kidnappers were not "to lose pa-

Reflecting the priority that Mr Chirac has given to securing the hostages' release, he immediately saw the wife of Mr Kauffmann.

iges seem in part to have run into difficulties over a financial settlement for Iran's share in Eurodif,

property interests on office build-

ings, shopping centres and business

parks. Its main strength is in the

Ottawa area, but the company also

parts of Canada, Texas and Califor-

nia. Current projects include a 88-storey head office building for Bank

Mr Ross Cowan, analyst at bro-ker Levesque Beaubien, said yes-terday that if the bid for Allied is

successful, Campeau may sell Alli-ed's joint ownership in US shopping

centres but seek to redevelop many

prime sites currently occupied by

of Nova Scotia in Toronto.

its department stores.

to assume power in **Singapore** after Lee

MR Goh Chok Tong, Singapore's Deputy Prime Minister and De-fence Minister, yesterday gave the clearest indication yet that he expects to take over from Mr Lee Kuan Yew, the Prime Minister, when

Mr Goh said in London yesterday that Singapore believed in "orderly ent" and he would there fore "play a more active role" when Mr Lee stepped down.

European tour partly aimed at driv-ing home the message that Singa-pore's ailing economy is on the mend and at generating new investment for the city state. He met senior politicians and businesso Prime Minister Lee, now 63, has said he will retire at 65. Mr Goh dismissed speculation that Mr Lee would stay beyond that age as a

Mr Lee's son, the 33-year-old Bri-gadier-General Lee Hsien Loong, widely tipped as a possible successor to his father, appears unlikely, too, believes in orderly arrange-

signs of growth

previous peak in 1979 ~ an average nnual growth rate of 12 per cent. The Chancellor said the Government had played its part by sticking to a medium term financial strategy to defeat inflation and create the right climate for the economy to enjoy steady growth, and by abolish ing a panoply of state controls.

British industry had responded

ing done.

Mr Goh is in Britain as part of a

misunderstanding. This speculation has been fuelled by the view that Mr Lee, as Singapore's founding father, would want to continue handling a newly critical public and a slowing economy. But Mr Goh said: "Singapore must survive without

in Mr Goh's reckoning, to jump to the top post immediately. "He has a great future," Mr Goh said, "but he,

The Singapore leadership is considering creating the post of Presi-dent, to which Mr Lee would possibly move to aid a smooth transfer of power. However, the President's powers are likely to be limited to control over the budget to prevent rosion of Singapore's reserves.

Mr Goh, on a four-country European tour to introduce himself to loreign leaders, had talked to Mrs Prime Minister, and other leaders. He has also met representatives of Plessey, United Technologies, Brit-ish Aerospace and other high-tech

Mr Goh is accompanied by a group from the Singapore Economcused specifically on investment discussions. Talks have begun on joint ventures in the aircraft indus-

UK shows

Continued from Page 1

far more positively and effectively

than its many detractors had ever thought possible, he said, but was still taking too short-term a view over investment, research, training and pay.

Greatly improved levels of profi-

tability gave industry the opportu-nity of finance vital long-term inments, but far too little was he

spending as a share of gross domes-tic product was running about 50 per cent higher in the US, West Germany, and Japan than in Brit-ain, and industry should not look to the government to do all the re-Industry should also play its par

in training, Mr Lawson said. Ger-man industry spends about three times as much on training as British industry for a similar sized

Campeau of Canada in surprise \$2.5bn bid for US retail group

BY BERNARD SIMON IN TORONTO

CAMPEAU, the Canadian property development group, launched a sur-prise US\$2.5bn bid yesterday for Allied Stores, the big US retail group whose interests include the Bonwit Teller, Brooks Brothers and Jordan

The bid comes on the heels of several others involving US retailers and appears to be prompted by the Canadian company's eagerness to lay its hands on Allied's valuable property holdings.

each of Allied's \$42.6m shares. It plans to pay 80 per cent of the pur-chase price in cash with the rest made up of preferred stock convertible into Campeau shares or warrants. In early trading yesterday, Allied's shares were trading at \$60%, up \$11% from Wednesdy's

cioce, chairman of Allied Stores, Campeau proposed offering Allied's

firms yesterday pleaded guilty to

criminal charges involved in the

biggest insider trading scandal in recent Wall Street history. They

agreed to co-operate with the au-

Mr Ira B. Sokolow, a 32-year-old former vice president of Shearson Lehman Brothers, and Mr David

Brown, aged 31, who used to work

at Goldman Sachs, have waived in-

dictments and entered guilty pleas as part of a deal with US prosecu-

interest in the surviving company (US\$1.74bn), has concentrated its for a period of at least six years. Campeau said it was confident of obtaining the necessary funding for the purchase and that "there will not be any impediment to a rapid has extensive interests in other tion of our proposed trans-

Allied made no immediate reaction to the bid. Campeau has asked for a reply by the evening of Sep-

Campeau is controlled by the family of Mr Robert Campeau, a French Canadian who began his working life as a machinist employed by a nickel mining company. It sprang to prominence outside the property industry in 1980 when it made a daring bid to acquire Royal Trust, a leading non-bank financial institution based in Toronto.

In a letter to Mr Thomas Ma-Campeau's bid after gaining sup-port from several pillars of the Ang-lo-Canadian establishment.

Allied has 665 retail outlets in 46 US states and Japan. Earnings were US\$159m in the year to February 28 from sales of US\$4.1bn. The company said yesterday that its sales rose to US\$2.2bn in the 30

Royal Trust was able to rebuff weeks to August 30, up 4 per cent from a year earlier on a comparable

The two men, who are friends, ad-

Bankers admit insider trading TWO FORMER investment bank- tors who are investigating illicit department. Mr Levine is alleged to ers at major New York brokerage trading activity on Wall Street. have earned \$12.5m from his insider trading and is co-operating with

mitted funnelling information to Mr David Levine, aged 33, the former investment banker, who has Mr Sokolow pleaded guilty to one count each of securities fraud and emerged as the mastermind behind income tax evasion and Mr Brown thorities in tracking down other of- the insider trading scandal which pleaded guilty to one count each of securities fraud and mail fraud. fenders in a bid to avoid a five year continues to cause shock waves inside many of Wall Street's most prestigious investment banks and Each count carries a possible five year prison sentence and a \$250,000 fine. The two men will be sentenced In early July Mr Sokolow was charged with selling information to

Mr Levine about more than a dozen Mr Sokolow did not trade in the pending deals which he learned stocks directly but he profited from about through his job in Shearson the scheme through direct cash Lehman's mergers and acquisitions payments from Mr Levine.

No US aid for falling dollar

THE US authorities have not inter- Fed's executive vice-president in vened in foreign exchange markets to support the dollar at any time since last September, despite the ef-forts of other countries to put a brake on the US currency's fall by buying dollars. This was disclosed yesterday by the Federal Reserve Bank of New York in its quarterly report on foreign exchange opera-

The New York Fed said there was no intervention by US authorities during the second quarter of this year "but there were sizeable dollar purchases by some other central

charge of foreign operations, also confirmed that there had been no US intervention in the first quarter. US had intervened substantially in the markets, but only by selling the dollar in order to maintain its

The Fed's report as well as confirming that the US has not co-op-erated with other central banks' efforts to slow the dollar's decline, showed further signs of US impa-tience with its main trading part-

The report notes that earlier this year the markets had perceived the US policy as being based on "hope that a high level of economic activi-

ty and rising imports abroad would set the stage for a sizeable narrow-ing of the US trade deficit, given stantially." But in the absence of progress on the trade deficit, "mar-ket participants started to consider the possibility that US authorities might welcome a renewed decline in the dollar on the grounds that ners for refusing to stimulate their central banks abroad might cut economies. It hints that a continu-ing fall in the dollar might be used such an environment."

Japanese rebuff for Pik Botha

Continued from Page 1

ness to go along with the Hague

A Government official in Bonn said that "everything pointed in the direction" of an EEC decision in favour of further economic measures against South Africa.

While US officials have made it clear that it is unlikely that the EEC, Japan and the US will adopt exactly the same measures against South Africa, there is clearly a desire on the part of all the countries concerned to co-ordinate the timing. of their policies.

Japan's most important imports

makers buy about 10 per cent of their coking coal from South Africa. Industry Minister, had proposed in Though Mr Botha is due to meet and politicians during his visit, leading steel producers Nippon Steel and Kawasaki Steel said yesterday that they had not planned any meetings with him.

However, in Taipei, which Mr Botha will visit next week after his talks in Japan, agreement was announced for Taiwan to increase its imports of maize, wool and citrus products from South Africa.

Officials said the level of in-

his four days of talks that maize purchases be increased from 400,800 tonnes this year to 600,000 tonnes next year.

They said that South Africa had also offered to provide additional expertise to help Taiwan in its coal mining, energy conservation and biotechnology projects.

South Africa is one of 23 countries that maintain diplomatic links with the Nationalist Chinese Government in Talpei and benefits from South Africa are coal, iron ore creased imports were yet to to be from Taiwan's refraining from criti-and precious metals. Japan's steel-negotiated but that Mr D. J. de Villician of its apartheid policies. THE LEX COLUMN

Bunzl's bundle of equity

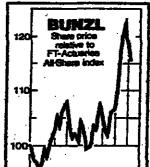
There seems no end to the amount of paper that Bunzl can dis-tribute round the world or issue in London. Yesterday's one-for-three to raise £190m, comes just 18 months and a couple of dozen acquisitions after a one-for-four to raise C55m. If the market has no difficulty digesting Bunzl equity, with the share price closing (at 223p) just 2p below the theoretical ex-rights price, it is because it has been so spectacularly nourishing. In five years, Bunzi's market capitalisation has risen from under C30m to over E900m after this equity issue. Nice

business, cigarette filters. Bunzl's redeployment of its re-sources from a declining market for cigarette filters to the distribution of paper and plastic, primarily in the US, and more recently transextbooks. Yet yesterday's interim figures, showing a typically stylish pre-tax improvement of 43 per cent a successful rearguard action in its old business. Distribution profits were actually down in sterling terms at period-end translation rates, and were not aided in dollars by weak demand from the US airlines; but profits at Filtrona were up 30 per cent. Non-smokers may not like the idea, but there seems a lot of business to be done in the Third World or in trading up whole mar-

Given that all but one of its divisions are decent generators of cash, Bunzl might have foregone the capital-raising exercise even as its net debt climbs over 50 per cent of equity. However, the multiple of 19 times this year's earnings – assuming pre-tax profits of up to £65m – is

reasons are for packing up its in-house pension fund management operation and looking for new managers, the move seems part of a trend. Time was when a fund worth £1.6bn (excluding property) could justify the cost of a full complement of analysts, managers and dealers. But these days City-type salaries look high amid railway workers or over must tend to rise. Added to that the diversification of funds into foreign equities, small companies

Whatever Unilever's particular



The City will watch Unilever's

if the fashion for splitting funds between specialist managers is taking hold in the UK as it has in the US. That still needs someone at the top directing the cashflow to the right markets, which after all is the decision that makes most difference to a fund's performance.

Cadbury Schweppes It is a bit late to unwind a merger

confectionery business in the US are not necessarily over and those any's expansion of the soft ularly in the growing US market. On the face of it Cadbury's recovery from its trading disaster in the complete, margins will improve, uS is well under way, with interim and the newer businesses will see The most sizeable benefits are in new power station and give the re-the form of reductions in the inter-structured Renfrew plant enough est bill. In part this is a reflection of work to fill it. Cadbury's policy of matching the Meanwhile Babcock must do currency of its borrowings to the something about its deteriorating currency of its assets. So what Ausbalance sheet. The immediate plan tralia and the US lose at the trading is the sale of some non-performing

and not just through disposals. Caprights issue and some acquisitions ital expenditure is running at about for paper. But the only solidity in-60 per cent of last year's levels, and vestors can rely on is the yield of 6.4

ey in, excluding disposals, was about 620m higher. If the company's strategy of reintroducing management to customers in the US pays off in the crucial second half, then Cadbury is capable of making £125m pre-tax this year. That puts the shares, up 4p at 182p, on a multiple of about 14. which looks cheap only in compar

Babcock Int'i

son to US rivals.

about to jump over a row of barrels, Babcock has been poised to take of for so long that spectators have lost hope of seeing the trick performed and wandered off. Every time Babcock seems about to make its run something goes wrong. Perhaps the recently arrived tourists from New Zealand - Rainbow Corporation will be the only watchers left when the leap finally happens.

At least in the first half of this year no unexpected disasters appeared, which may be a sign that management is getting a grip at last. There were the usual range of difficulties: a sudden plunge into ty slow to respond to treatment, of 17 years standing but most brokers would probably like to buy
shares in Schweppes and sell Cadbury shares. The difficulties of the
est charges. So some other parts must be going well for profits to have increased from £15m to £16m. in Canada have worsened. But the Babcock seems confident of at least making up for the absence of last drinks side is well conceived, partic-ularly in the growing US market. year's £5m pension holiday in the full year figures. Next year perhaps pre-tax profits up 27.5 per cent at growing markets. Sooner or later £43.1m. But at the trading level the the Central Electricity Generating increase was less than 10 per cent. Board will get around to ordering a

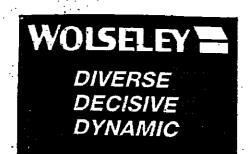
level on translation into an appre- assets which might fetch f50m. ciated pound, they have gained by both cutting borrowings and adding way of lower borrowings in sterling to equity by showing a book profit, while doing no harm to earnings. But there has been a genuine im- The company's longer-term hope is while cash has suffered the outflow per cent with the shares down 4p to typical of a Cadbury first half, mon- 183p yesterday.

NBEATABLE FINANCIAL **PACKAGE** IT'S WILAT WIFILE CUT TOTEL NAME. COMPANY Clwyd ADDRESS. Send for the Clwyd fact pack Our package can include cheap loans, cash grants, rent concessions, factories from only £1.50 per sq ft, training assistance, WDA finance, a Technology Park and the Delyn Enterprise Zone. For further information contact The Clwyd Industry Team, Clwyd County Council, Shire Hall, Mold, Clwyd CH7 6NB. Tel. 0352-2121

Continued from Page 1 controlled by his master Cofide ve-Although Mr De Benedetti is

But the Italian financier and in-

World Weather



SECTION II – COMPANIES AND MARKETS **FINANCIAL TIMES**

Friday September 5 1986



Chrysler lifts annual payout for second time

comes on top of a 50 per cent increase earlier this year when a 25 cents a share quarterly dividend was paid following the three-fortwo stock split. The group will now

peacy int

man, says that the increase reflects
"the confidence we have in our ongoing profitability, and our continued optimism about the future of
the businesses we're in."

He said Chrysler, which was on pay a 35 cents a share quarterly div- the brink of bankruptcy when he

CHRYSLER, the third biggest US idend on October 15 to shareholders took over in November 1978, was car manufacturer, yesterday underlined its rapidly recovering financial fortunes by increasing its common stock dividend by 40 per cent
to an annual rate of \$1.40 a share.

The 40 per cent dividend increase

The confidence we have in our on-

Chrysler has a five year \$12.5bn capital spending plan in place. Chrysler's dividend increase comes despite a 23.5 per cent fail in the group's first-half net earnings to

IBM sparks computer battle

BY LOUISE KEHOE IN SAN FRANCISCO

US PERSONAL computer makers disk drive, a 12 megabyte floppy have acted to fire back at IBM with drive and 640 kilobytes of main a flurry of new product amounce-ments that match or better IBM's new Compaq machine is powered by the Intel 286 microprocessor and

Compaq Computer, Sperry and Digital Equipment (DEC) all announced new systems to compete with the new IBM personal compu-ter signalling a new round of in-tense competition in the US personal computer market.

sion of its Deskpro 286 with features that mirror those of the IBM al computers chiefly through its di-XT Model 288: a 20 megabyte hard rect sales force while Compaq sells cal area networks.

matches IBM's \$4,000 price tag.

Compaq also announced that it has reduced the price of its Deskpro 286 model 1, which has only 256k internal memory and no hard disk drive. to \$2,999 from \$3,999.

Sperry's MicroIT also uses Intel's Compaq Computer, the leading 286 microprocessor as its "brain" US IBM compatible personal computer maker, introduced a new vertoo achieve higher performance. but runs the micro at a faster speed

through retail dealers. IBM does

The Sperry MicroIT will sell for \$3,590 for a version with 512k memory and a 20 megabyte hard drive. A floppy disk drive is not included as in the IBM and Compaq systems, so prices are comparable.

to penetrate the personal computer market comes in the form of a similar \$4,045 IBM compatible machine which it calls VAXmate. DEC is aiming its personal computer at its existing minicomputer customers. to achieve higher performance. The VAXmate incorporates commu. Sperry is expected to sell its person-nications capabilities that easily nications capabilities that easily

Trump buys stake in Holiday Corp

BY OUR FINANCIAL STAFF

York property developer best been advised that the shares had been bought for investment purposes.

At Wednesday's chains the shares had been bought for investment purposes.

At Wednesday's chains the shares had been bought for investment purposes.

At Wednesday's chains the shares had been bought for investment purposes. Corporation, the world's largest botel network known formerly as Hol- \$74.6m. By lunchtime yesterday the

NEW ISSUE

would have cost Mr Trump about shares had risen \$1% to \$64%.

divergence of opinion over Mr Trump's intentions. Some analysts elieve Mr Trump may wish to turn Holiday from a moderately priced to a premium chain, while others

noted Mr Trump has previously

taken shares in public companie

CGM plan for merger blocked by Paris

day blocked the proposed merger between Compagnie Generale Mar-itime (CGM), the state shipping group, and Chargeurs Reunis, the loss-making cargo and container subsidiary of Chargeurs, the private transport and communications con-

The Government said the mer involved too many risks for CGM at a time when the state shipping group was in the middle of a major restructuring programme.

CGM agreed to take over Char

geurs Reunis last August for a sym-bolic franc. The merger was de-signed to rationalise and strengthen France's position in the fiercely competitive shipping business by giving CGM, which concentrates on he north Atlantic and the Pacific, the chance to cover the world.

While acknowledging the possible merits of the merger, the Government, which recently injected FFr 700m (\$185m) in capital grants to CGM, felt that the state group was not in a position to take on the addi-tional risks of absorbing the trou-bled Chargeurs Reunis shipping

Dutch insurer in US move

NATIONALE NEDERLANDEN. the Dutch insurance group, said its US subsidiary, Georgia US, had reached initial agreement to buy nearly all the issued share capital Life Insurance, Reuter reports. Associated Doctors made net profits of \$4.4m, with a premium income of \$29m, and assets of \$40m.

Royal Bank of Canada hit by energy sector

ports sharply lower third-quarter 0.52 per cent. and securities trading. These were only partly offset by strong domestic retail business and higher non-interest income.

Total assets at July 31 were CS82.7m (USS59.9m), or 54 cents a gainst CS92.8m, or 31 cents, a year earlier due to strong growth in per-

interest income.

However, for the first nine months of fiscal 1986, Canada's largest chartered bank's net profit was still up 8 per cent from a year

earlier.

Net income for the third quarter
ending July 31 was C\$112m
(U\$\$80.8m), down 14 per cent from cause of energy sector problems.

The bank said it was holding restructuring talks with several borrowers. It estimates fiscal 1986 loan a year earlier and equal to 89 cents a share against CS1.14. Average shares outstanding were

102.6m against 98.1m. Return on av- losses could occur because of prevailing low oil prices.
Capital position at July 31 was
CS8.8bn, up CS350m during the erage assets was 0.45 per cent, down from 0.55 per cent a year ear-

THE ROYAL Bank of Canada re- average assets was unchanged at of fiscal 1986, though its assets con-

In the third quarter return on as-The bank has increased provision lems in the energy sector and adsets from international operations for loan losses and actual loss expeverse results from underwriting fell to 0.22 per cent from 0.54 per rience was sharply up.

> sonal leading and mortgages.
> Non-accrual loans, less loss proviwere CS244m or CS1.58 a share against C\$260m or C\$2.12 a year sions, totalled CS2.7m at July 31, up earlier. C\$800m during the third quarter be-

the third quarter were 121.9m against 98m and in the nine months 112m against 89.9m. The per-share figures reflect last January's twofor-one stock split.

experience at C\$950m, up almost 40 per cent from fiscal 1985. The bank warns that further loan Assets at July 31 were C\$78.57bn against C\$73.8bn a year earlier, Loan-loss provisions in the third quarter were C\$157m against C\$121m, and in the nine months C\$466m against C\$360m. Actual loss

experience was CS179m in the third quarter against C\$125m, and in the nine months C\$521m against

income boosts Seagram

Du Pont

SEAGRAM, the Canadian drinks group, has reported higher overall profits for the second quarter and first half of fiscal 1987, due mainly to dividend income and higher u remitted earnings from Du Pont of

Though Seagram's spirits and wine sales were higher in both periods, operating income declined be-cause of slack US demand for liquor products and heavy investment in cooler products. These factors were only partially offset by an improved international performance

First-half sales were US\$1.4bn against US\$1.2bn a year earlier. But operating income was US\$87.8m against US\$98m. Aftertax income from wines and spirits was US\$35.7m against US\$41.8m. Seagram reported overall half-

year net income of US\$216.7m or US\$2.27 a share against US\$129.6m or US\$1.41 a year earlier. This included US\$75m in dividends from Du Pont, unchanged from a year earlier, and the group's US\$106m share of Du Pont's unremitted earnings against US\$216.7m a year ear-

Second-quarter liquor sales were US\$786m, against US\$685m, and operating income totalled US\$47.8m gainst US\$49.4m. Final net income including the Du Pont contributions was US\$116.7m, or US\$1.23 a share, against US\$85.1m, or 93 cents a year earlier.

Genstar

AN ARTICLE in yesterday's Finan cial Times on Société Générale de Belgique referred to the successful sale of Genstar to CBR, the Belgian cement manufacturer. This rebrisk demand for condominiums ferred simply to Genstar Cement and commercial buildings. The interim dividend was unchanged at Genstar, having been bought earlier in the year by Imasco.

For the first nine months net third quarter. profit was C\$377m or C\$3.16 a Canadian Imperial Bank of Comshare, against C\$356m, or C\$3.12 a merce reports lower earnings in the share, a year earlier. The return on third quarter and first nine months Exxon applies for

Tokyo share listing

BY OUR NEW YORK STAFF

EXXON, the world's biggest oil tate access to the rapidly expanding company, has applied to list its Japanese capital market, which is shares on the Tokyo stock exthe second largest in the world. Exchange and expects the listing to xon's management plans to make take place before the end of the year. It will be the first foreign oil company to have its shares listed on the Tokyo stock exchange.

Exxon's decision to list its shares in Japan comes three months after A Associated Doctors Health and the giant oil company listed its shares on the London Stock Exchange. Yesterday's news helped boost the shares to a new peak of \$70% in early trading.

Shareholders of Associated Doc Listing on the Tokyo exchar tors approved the bid, a Nationals Nederlanden spokesman said. will, the company believes, broaden the market for its shares and faciliSekisui House earnings rise 13.6% By Yoko Shibata in Tokyo

SEKISUI HOUSE, Japan's largest ousing contractor, has announced a 13.6 per cent gain in pre-tax profits in the half year to July to Y10.3bn (\$66.8m). The increase was attributed to the strong improvement in the balance of financial presentations to the Tokyo investment community in mid-October.
Nikko Securities is sponsoring Exxon's application. Exxon, which items. This more than offset a 4.3 per cent fall in operating profits re-sulting from lower sales of deis valued at \$51bn on Wall Street, is the second most heavily capitalised tached single-family houses and US stock after IBM, which is capita-

other property. Half-year-turnover moved ahe lised at \$84bn. General Motors, another traditional pillar of the US by 6 per cent to Y246.3bn, thanks to business community, is capitalised Exton's shares are already listed on a dozen European stock ex-

All of these Securities have been sold. This announcement appears as a matter of record only.

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Yen 20,000,000,000

5% per cent. Notes Due 1991

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Toyo Trust International Limited

Bank of Tokyo International Limited Citicorp Investment Bank Limited **Dai-Ichi Kangyo International Limited** Kleinwort Benson Limited LTCB International Limited **Merrill Lynch Capital Markets** Mitsubishi Trust International Limited **Morgan Guaranty Ltd** Nippon Credit International (HK) Ltd. Orion Royal Bank Limited

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Tokai International Limited

Banque Bruxelles Lambert S.A. Credit Suisse First Boston Limited Fuji International Finance Limited Kyowa Bank Nederland N.V. Manufacturers Hangver Limited Mitsubishi Finance International Limited Mitsui Trust International Limited **Morgan Stanley International** Nomura International Limited Salomon Brothers International Limited Sumitomo Trust International Limited S. G. Warburg Securities

Yasuda Trust Europe Limited

U.S. \$125,000,000

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Floating Rate Notes Due 1989

Issue Price 100 1/4 per cent. The following have agreed to subscribe or procure subscribers for the Notes:

Mitsubishi Trust International Limited Daiwa Europe Limited **Prudential-Bache Securities International**

Dai-Ichi Europe Limited New Japan Securities Europe Limited **Sumitomo Trust International Limited**

Application has been made for the Notes, in bearer form in the denominations of U.S. \$10,000 and U.S. \$100,000 each, constituting the above issue to be admitted to the Official List by the Council of The Stock Exchange, subject only to the issue of the temporary global Note. Interest will be payable semi-annually in arrears in March and in September, the first payment being made in March, 1987.

Listing particulars relating to the Notes and the Issuer are available in the statistical services of Extel Statistical Services Limited and copies may be obtained during usual business hours up to and including 9th September, 1986 from the Company Announcements Office of The Stock Exchange and up to and including 19th September, 1986 from the following:

> Cazenove & Co., 12 Tokenhouse Yard, London EC2R 7AN 5th September, 1986

Tennessee flat glass

company

ACI INTERNTIONAL, the building products and glass and packaging company, plans further expansion in the US with the purchase of Bins-wanger Glass, of Tennessee, for around US\$100m.

ACI buys

The purchase would make ACI one of the major flat glass distributors in America. Binswanger has sales of about \$185m and employs some 2,000 people.

ACI became the largest flat glass distributors in the western states of America last year following a number of expansion moves which doubled the size of its US glass distribution business.

It has encouraged growth outside Australia, partly because of doubts about the Australian economy and high

Last year ACI paid tax at the rate of 46 per cent and ACI has indicated that the group could incur tax in the 51 to 52 per cent range this

ACI's glass division in the US achieved considerable growth in sales and profits in 1985-86. The doubling of its glass distribution business in the year fired its acquisition of the Northern Californian Glass, Haviin and Witkin, and Belknap operations.

Chairman for CRA named

CRA, Australia's second-biggest listed company, yes-terday announced that Mr John Uhrig had been appointed as non-executive chairman following the profits down 25% so far MITSUBISHI Chemical Industries, Japan's largest integrated as those supplied to the electhemicals producer, has reported a 25 per cent drop in parent company net profits for the six months ended July 31 to Y3.76bn (\$24.3m) from Y5.04bn in the same period last year. Net profits per share fell to Y3.10 from Y4.33. Once again there will be no interim dividend payment.

At the pre-tax level, profits environment during the second chairman following the recent surprise amouncement that Sir Roderick Carnegle, CRA's existing executive chairman and chief executive, would be stepping down at the end of the year. Mr John Raiph, Comaleo chairman and current CRA director, has already been appointed as chief executive. Mr Uhrig was managing director of Simpson Holdings, the white goods company, now part of Email, until he retired in July last year. He has been on the CRA board since 1983. Y3.10 from Y4.33. Once again the steel market.

Mitsubishi Chemical is predicting a difficult business dicting a difficult business dicting a difficult business are represented by the predicting a difficult business are represented by the profits to the predicting and the profits are results are results are results dicting a difficult business are represented by the profit second with the profit second by the profit is predicted a difficult business are represented by the profit second profit predicting a difficult business are represented by the profit second profit predicting a difficult business are represented by the profit second profit predicting a difficult business are represented by the profit second profit predicting a difficult business are represented by the profit second profit predicting a difficult business are represented by the profits are represented by the profit predicting a difficult business are represented by the profits are

See Men and Matters

Credit Lyonnais pre-tax earnings up 25% midway

biggest state-owned French bank, has increased first-half profits before tax and provisions by almost a quarter and is stepping up its dividend by 10 per cent.

The bank, which is earmarked for an early move back into the private sector under the government's privatisation pro-gramme, recently raised funds through an issue of non-voting shares on the Paris bourse.

Mr Jean Maxime Leveque, the Chairman appointed last July, said that the first-half parent company results showed that the bank was in "good

CREDIT LYONNAIS, the second health" and that doubts about consolidated net profits for the biggest state-owned French its economic situation were unfull year rise to FFr 1.5bn or

The increased dividend involves a one-for-10 scrip issue both for the non-voting shares and the government held voting Parent company earnings

before taxes, provisions and depreciation totalled FFr4.17bn depreciation totalled FFr2.170n (\$627m) in the first half compared with FFr 3.25bn for the same period last year. After provisions amounting to FFr 3.2bn compared with FFr 2.7bn, pre-tax profits totalled FFr 710m, up nearly totalled FFr 710m, up nearly 42 per cent.

He added unat ms priority was to inspire investor confidence on the bourse in the bank.

Mr Leveque also made a point of denying rumours in recent of denying rumours in recent of denying rumours in recent of denying rumours to recent the best coolly welcomed by Credit I symmals managers.

48 per cent. Credit Lyonnais expects to see

The chairman claimed Credit Lyonnais' situation was satis-factory. However, with the pros-pect of privatisation, the bank needed to change its low profile image, he suggested.

He added that his first priority was to inspire investor confidence on the bourse in the

Elf Aquitaine ahead of forecast

ELF AQUITAINE, the French operating earnings to total state-controlled oil group, has nearly FFr 5bn in the first half reported higher than expected However, a net loss of about first half net profits of FFr 3.4bm (\$522m) compared with FFr 2.9bn for the first six

with FFr 2.9bn for the first six months last year.

Mr Michel Pecqueur, chairman, said that first-half earnings had exceeded earlier expectations of a FFr 3bn profit. Eif, which is France's largest tenterprise, reported earnings of FFr 5.3bn last year.

Total Compagnie Francaise des Petroles, the other large French oil group, indicated to company earnings of FFr 850m.

yesterday that it expects net

nearly FFT 50n in the lift had. However, a net loss of about FFT 1.5bn is also expected be-cause of the lower value of oil stocks, which will involve about

months last year.

The oil group expects parent company earnings of FFr 850m

in the first half compared with FFr 1bn in the same period last year and FFr 1.6bn for 1985.

Total's French refinery subsidiary had operating profits of FFr 1.69bn in the first half compared with a loss of FFr 954m in the same period a year ago.

However, after the accounting impact of lower oil stock values, the refinery subsidiary showed a net accounting loss of FFr 2.4bn in the first half compared with a net deficit of FFr 1bn in the first six months

DKB set to buy Hong Kong bank

By Our Tokyo Staff

DATICHI KANGYO BANK (DKB), Japan's largest bank is set to raise its stake from 33 per cent to 95 per cent in Chekiang First Bank, a medium-sized commercial bank in Hong Kong for about Y10bn (\$64.6m). The deal will represent the first purchase of an Asian bank by a Japanese bank. It will give DKB access to the Chinese fin-

ancial market.
Cheklang First Bank, which
was established in Hong Kong
in 1950 by the Shanghal-based Chekiang financial conglome-rate, is capitalised at HK\$100m (US\$ 12.8m). It was renamed Chekiang First Bank in 1963

Superfos may dispose of US subsidiary

SUPERFOS, the Danish fertilisers, packaging and industrial group which has loughed into the red for the first half of 1986, is preparing to write-off its investment in Royster, its troubled US fertilise rsusbidiary.

n a statement yesterday the group said it has repaid all loans and will replace them with new equity and loans preparatory either to selling the company or closing h

Superios made a DKr 117m (\$8.96m) los in the first half compared with a profit of DKr 8.4m last year, and expects to make an operating loss of about DKr 200m for the full year.

This figure does not include extraordinary costs which may arise in connection with Royster, the company says. In view of this the board will propose passing the dividend

for 1985 Superfos shareholders received a maintained 12 per cent dividend. Pre-tax profits for the year were sharply lower at DKr 40m.

The extent of Superfos' losses from Royster are not known but probably amount to at least DKr 300m.

The first-half loss arose entirely in the fertiliser division, which produced an unsatisfactory result in Denmark as well as the US. Danish sales were hit by competition from East European fertilisers.

Group sales were down by 17 per cent to DKr 5.48bn partly reflecting falling dollar sales by Royster and partly the depreciation of the dollar against the Krone.

Net financial costs also rose. including both realised and unrealised exchange rate losses and lower investment income. But liqidity remained satisfactory, said the

NEW ISSUE

This announcement appears as a matter of record only,



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Swiss Volksbank

Westdeutsche Landesbank Girozentrale

Sales of merged Coles Myer top A\$10bn mark

Mitsubishi Chemical net

BY OUR SYDNEY CORRESPONDENT

COLES MYER, Australia's The enlarged combine is COLES MYER, Australia's biggest retailer, yesterday having some problems as Mr passed the A\$10bn sales mark for the first time on the way to a record profit of A\$181.9m for the year ended July, 1986.

The profit is 44 per cent better than the A\$128.3m reported for 1984.85 but included for the first time a full contribution of the old G. J. Coles latest major acquisition, Myer Emporium the department stores, higher interest rates, and the effect of the decline in the Australian dollar," he said.

However, while Myers opera-

retailer.

The sales total of A\$10.4bn is, 70 per cent beter than the previous term, suggesting that on average every Australian spent A\$700 in a Coles or Myer outlet total, or 12.5 per cent, they contributed about A\$35m of net profits, or 19 per cent.

Santos cuts interim payout

BY OUR SYDNEY CORRESPONDENT

SANTOS, is the latest Austra-lian resources company to be hit by the collapse of world oil

Australian oil prices fell from SANTOS, is the latest Australian resources company to be hit by the collapse of world oil prices. It yesterday announced a cut in dividend after incurring a 36 per cent fall in net operating profit to A\$41.5m in the half-year to June 30. The company earned A\$64.6m in the same period last year.

The company decided to reduce the interim dividend from 9 cents to 7 cemts a share "due to the lower operating profit and the need to conserve company said.

GRANVILL

25	48	Airsprung Group	105	-	7.6	7.2	6.6	6.9	
46 86 81	28	Armitage and Rhodes	35	_	4.2	12.0	4.9	4.5	
88	108	Bardon Hill	185		4.6	25	21.0	19.3	
81	42	Bray Technologies	81	_	4.3	5.3	9.6	8.8	
70	76	CCL Ordinary	87	+1	23	3.3	6.2	8.7	
52	96	CCL 11pc Conv. Pl	87		15.7	18.0			
2	80	Carborundum Ord.	241	=	9.1	3.8	44.0	4	
94	83	Carborundum 7.5pc Pf.	99	_	10.7		11.6	11,9	
78	48	Deborah Services	76		7.0	11.5			
01 52 42 44 78 32 55 71	20	Frederick Parker Group	2312	=		9.0	8.1	70.7	
莱	50	George Blair					_	_	
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10	101	lais Group	168	-1	18.3	11,0	9.5	7.4	
~		Jackson Group	124	-1	6.1	4.9	8.4	7.6	
"	228	James Burrough	374	-1	17,0	4.5	10.5	9,6	
90	85	James Burrough SpcPf.	98	_	12.9	13.2		-10	
95	56	John Howard Group	56	_	5.0	8,5	_	_	
36	342	Multihouse NV	875	_			45.9		
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24 77 10 10 10 10 10 10 10 10 10 10 10 10 10	28	P	75	_	_	_	3.3	4.7	
30	~	Scruttons "A"	38	_	_	_	_	_	
11	86	Torday and Carlista	111	_	5.7	5.1	6.7	8.8	
70	320	Trevian Holdings	322		7.9	2.5	6.7	8.8	
7Ō	25	Unilock Holdings	69	_	2.8	4.7	12.7		
03 28	93	Walter Alexander	192xd	_	9,9	5.2	9.2	17.8	
26	190	W. S. Youtes	197	_	17.4			6.8	
					•/-	8,8	18,7	21.9	

By: The Chase Manhattan Bank, N.A., London, Agent Bank. September 5, 1986

U.S.\$150,000,000

Bank & Treland

Undated Floating Rate **Primary Capital Notes**

In accordance with the provisions of the Notes, notice is hereby given that for the three month Interest Period from September 5, 1986 to December 5, 1986 the Notes will carry an Interest Rate of 6% p.a. The interest payable on the relevant interest payment date, December 5, 1986 will be \$151.67 per \$10,000 principal amount.

DnC International Finance B.V. US\$40,000,000.00 Guaranteed Floating Rate Notes

Notice is hereby given that the Report and Accounts of DnC International Finance B.V. (formerly Nordic International Finance B.V.) for the year ended 31st December 1985 may be obtained from

The Secretary, DnC International Finance B.V. De Lairessestraat 127, 1075 HJ Amsterdam, The Netherlands.

Den norske Creditbank PLC. 20, St. Dunstan's H課, London EC3R 8HY.

The Hongkong and Shanghai Banking Corporation (Incorporated in Hong Kong with limited liability)

U.S.\$400,000,000 PRIMARY CAPITAL UNDATED FLOATING RATE HOTES

Notice is hereby given that the Rate of Interest has been fixed at 51%e% and that the interest payable on the relevant Interest Payment Date be \$75.04 and in respect of \$5,000 mminal of the Notes will \$1,500.87.

September 5, 1986, London By: Cathank, N.A. (CSSI Dept.), Agent Sank

CITIBANÇO

U.S.\$275,000,000 of which U.S.\$200,000,000 is being Issued as the Initial Tranche

The Bank of New York Company, Inc. Floating Rate Subordinated Capital Notes Due 1997 Notice is hereby given that the Rate of Interest has been fixed at 5% p.a. and that the interest payable on the relevant Interest Payment Date, December 5, 1986 against Coupon No.4 in respect of U.S.\$10,000 nominal of the Notes will be U.S.\$146-93.

September 5, 1986, London By: Gribank, N.A. (CSSI Dept.), Reference Agent

CITTBANCO

BY OUR FINANCIAL STAFF

Perfos

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and the second

GENERAL ELECTRIC Company, the diversified Connecticut high technology concern, has taken forward its reshuffling financial services from Mr John October 1. pany, the diversified Connecti-cut high technology concern, has taken forward its reshuffling of executives, by appointing Mr Gary C. Wendt president and chief operating officer of its GE Financial Services

Mr Wendt succeeds as president Mr Robert C. Wright, who was last week elected president and chief executive of GE's National Broadcasting Company

BY BERNARD SIMON IN TORONTO

Canada earlier this year are to resign at the end of the month.

The departure of Mr Alfred Downing and Mr Archibald McCallum, Hiram's chief execu-tive and chief financial officers

respectively, will consolidate the hold of Gulf and its con-

trolling shareholders, Toronto's Reichmann family, over Hiram.

Fourteen Hiram directors were replaced by ten Gulf nominees shortly after Gulf gained control of Hiram in April after

a fierce month-long takeover battle.

Mr Downing, aged 63, and Mr McCallum, 56, were deeply involved in planning Hiram's resistance to the Reichmann bid, which included a controversial decision to sell Hiram's liquor business to the British food and beverage group Allied-Lyons for C\$2.6m (US\$1.9bn).

F. Welch Jr, the GE chairman.

Mr Welch remains a director of GE Financial, but has turned his concentration to NBC of which he has become chairman.

Mr Wendt reports AP-DJ, has been thought of as a possible successor to Mr Wright.

Mr Michael A. Carpenter, 39, has at the same time, been

Top men leave Hiram Walker

TWO TOP officials of Hiram Walker Resources, who led the Canadian distiller and energy company's unsuccessful resistance against a takeover by Gulf Canada earlier this year are to resign at the end of the month.

Downing and Mr McCallum, the and Mr Cullum have not been available for comment on their resignations. Like other members of Hiram's previous management, they have kept a low profile since the Reichmanns started their takeover bid last

Mr Cohen, 51, who will shortly become chairman and chief executive of Gulf Canada, was earlier appointed president of Riram Walker. Mr Newman, 64, executive vice-president of Olympia and York Developments, the Reichmanns' real estate arm, holds the same position at Hiram,

Mr Friedman is the fifth new vice president in the department this year and the third since GE acquired 80 per cent of the concern in June. There are now 12 senior partners, or vice presidents, in the 35 strong epartment

successor to Mr Wright.

National Broadcasting Company subsidiary.

Mr Wendt moves from being executive vice president of General Electric Credit Corporation. He was also president and chief executive of GE Credit, the main subsidiary of GE Financial, the holding company that includes 80 per cent of Kidder, Peabody and Co, the Wall Street investment house, and Employers Reinsurance Corporation, of Kansas.

Mr Wendt does not, even so, succeed Mr Wright as chief executive of GE Financing and transportation and succeed Mr Wright as chief executive of GE Financial, Mr Wendt does not, even so, succeed Mr Wright as chief executive of GE Financial, Mr Wendt does not, even so, succeed Mr Wright as chief executive of GE Financial, Mr Wendt does not, even so, succeed Mr Wright as chief executive of GE Financial, Mr Wendt does not, even so, succeed Mr Wright as chief executive of GE Financial, Mr Wendt does not, even so, succeed Mr Wright as chief executive of GE Financial, Mr Wendt does not, even so, succeed Mr Wright as chief executive of GE Financial, Mr Wendt does not, even so, succeed Mr Wright as chief executive of GE Financial, Mr Wendt does not, even so, succeed Mr Wright as chief executive of GE Financial, Mr Credit in charge of distribution sales finance, currently a senior vice president of GE Credit in charge of distribution sales finance, currently a senior vice president of GE Credit in charge of distribution sales financing and transportation and industrial financing.

Mr Wendt moves from being department, Mr Friedman leaves a 17-year career at Shearman and Sterling, the New York law for mance, currently a senior vice president of GE Credit in charge of distribution sales finance, currently a senior vice president of GE Credit in charge of distribution sales finance, and transportation and industrial financing.

Mr Friedman leaves a 17-year career at Shearman and Sterling, the New York law for firm, at which he had been a partner since 1977.

At Shearman and Sterling, the New York law for firm, at which he

Shortly after the takeover battle began, Hiram's board approved "golden parachutes" for eight senior officers of the company, including three years.

salary and other benefits. Mr Downing's cash renumeration totalled C\$524,000 last year.

president and general manager, export sales for Consolidation

Donaldson Lufkin elects

new head

DONALDSON LUFKIN and Jemrette, the Wall Street brokerage house, has appointed Mr John S. Chalsty as president and chief execu-tive, in succession to Mr John K. Castle.

Mr Chalsty comes from the

chairmanship of Donaldson Lufkin's capital markets

LUKUN'S CAPITAL MARKELS
group.

Mr Castle has resigned to
establish a firm offering
specialised private equity
investments.

Donaldson, Lufkin is a subsidiary of the Equitable Life
Assurance Society of the US
with total assets of some
stilled.

with total assets of some \$12bn.

Mr Chalsty, 53, joined Denaldson Lufkin in 1989 as an oil analyst. In 1972 he was appointed director of Research and in 1979 he became head of Donaldson Lufkin's investment banking division. He took up the post of chairman of the capital markets group in 1984.

Mr Castle, who had been with Donaldson Lufkin for 21 years, headed the company's venture capital and

21 years, neatest the com-pany's venture capital and investment-banking areas be-fore taking the positions of president and chief operating officer in 1978. He was elected chief executive in January 1985.

Jim Walter senior move

MR KENNETH E. HYATT has been elected chief operating officer of Jim Walter Corporation, the Florida-based maker of building materials, with interests in homebuilding and financing, natural resources and manufacturing. Mr Byott 48 has been with resources and mannfacturing.
Mr Hyatt, 46, has been with
Jim Walter since 1966, most
recently with responsibility
for divisions, including coal
mining, coke, chemicals, stone
products, aluminium, precision tooling and east iron
operations.

President for Lauritzen

By Our Financial Staff J. LAURITZEN, the Copenhagen shipping concern, has appointed Mr Peter Weitmeyer, aged 39, as president. Mr Weitmeyer had been with A. P. Moeller, the leading Design shipping recommendations of the second statement of the second statement of the second se ing Danish shipping group since 1968,

The Fourth **Professional** Personal Computer **Conference**

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Mr Robert Therrien Mir Elserino M. Piol ing COIvettl & CSpA

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Mr Paul Bailey Digital Research inc

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per Depositary Share: (Third Series) U.S.\$19,567.48 per Depositary Share: (Fourth Series) U.S.\$18,288.18

Brasilvest S.A.

Net asset value as of

1st September, 1986 per Cr\$ Share: 36,704

per Depositary Share: U.S.\$24.485.29

per Depositary Share: (Second Series) U.S.\$22,893.19

AEGON Insurance Group

NOTICE OF INTERIM DIVIDEND

The Executive Board announces that, with the approval of the Supervisory Board, an interim dividend of Dfls. 1.30 per Dfls. 5.00 ordinary share will be paid for the financial year 1986.

For holders of ordinary shares, coupon number 12 of their securities will be payable at the payment offices of the banks mentioned below with effect from 24th September 1986:

Amsterdam-Rotterdam Bank N.V., Algemene Bank Nederland N.V., Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A., Nederlandsche Middenstandsbank N.V., Pierson Heldring & Pierson N.V. Bank Mees & Hope N.V.

> AEGON nv The Executive Board 28th August 1986

For each Dfls. 5.00 ordinary share the interim dividend of Dfls. 1.30 will be payable on the abovementioned coupon, less 25% dividend tax.

Copies of the report for the first six months of 1986, published on 28th August 1986, are available at the offices of the banks mentioned below and the undersigned.

Kredietbank N.V., Brussels, KredietbankS.A. Luxembourgeoise, Luxemburg, Schweizerischer Bankverein, Zürich and Geneva, Deutyche Bank Aktiengesellschaft. Düsseldorf, Morgan Guaranty Trust Company of New York Ltd., London, J. Henry Schroder Wagg & Co., Ltd., London and AMRO International Ltd., Loridon.

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Conrail international sales post

consolidated Rall Corporation of Philadelphia has appointed Mr Donald E. Larson managing director for international sales, with responsibility for busines development in Europe.

ports, industries, shipping companies and other concerns with a view to establishing what transport services Conrail can best provide for them in the US.

Mr Larson was previously vice president and general manager,

March.

ARISTON @

Merloni Elettrodomestici ** Merloni Igienico Sanitari∞

ECU 45,000,000

MULTICURRENCY MEDIUM TERM FLOATING RATE FACILITY

PRIVATbanken Limited

BANCO DI NAPOLI CASSA DI RISPARMIO DI ROMA THE GULF BANK KSC PRIVATbanken Limited ZENTRALSPARKASSE UND KOMMERZIALBANK, Wien

Funds provided by BANCO DI NAPOLI, Frankfurt Branch

in association with PRIVATbanken Limited CASSA DI RISPARMIO DI ROMA THE GULF BANK KSC ZENTRALSPARKASSE UND KOMMERZIALBANK, Wien ISTITUTO BANCARIO SAN PAOLO DI TORINO, London Branch BANCA D'AMERICA E D'ITALIA (LUXEMBOURG) S.A. BANCA NAZIONALE DELL'AGRICOLTURA BANCO DI SICILIA, London Branch CASSA DI RISPARMIO DI PADOVA E ROVIGO CASSA DI RISPARMIO DI TRENTO E ROVERETO CASSA DI RISPARMIO DI VERONA, VICENZA E BELLUNO MONTE DEI PASCHI DI SIENA, New York Branch BANCA TOSCANA PRIVAT KREDIT BANK

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Merloni Elettrodomestici **

Merloni Igienico Sanitari∞

ECU 45,000,000

Multicurrency Exchange Rate Guarantee Agreement

Arranged by

Morgan Grenfell & Co. Limited

Adviser to the Companies

GEA Milan

July 1986

000,000

Nomura banks on taking the lead

a bank at the moment: bare flooring, a few wires sticking out of sockets, and a strong smell of paint. But the fifth floor of Namura's offices beside the Monument in the City of London will house one of the more challenging entrants into international banking.

Japan's largest securities house finally obtained its bank-ing licence from the Bank of England on Tuesday after some lengthy horse-trading between the UK and Japan which also yielded licences for British banks to deal in securities in Tokyo. This is a major breakthrough for Nomura which cannot, under Japanese law, operate as a bank in its own balance sheet totalling £750m,

But what does Nomura intend to do with its licence? Why, indeed, does it even want one when other banks are complainwhen other banks are complaining about the regulatory handi-caps, and are doing their best to escape into the securities business?

Mr Andreas Prindle, the American banker who will run it, gives two reasons. One is American banker who will run terms as top international it, gives two reasons. One is banks. In Japan, Nomura's simply that Nomura expects to credit is rated triple A, and in make money at banking by exploiting its huge size and capital strength, as well as the spin-off from the securities side. Starting from scratch, unDurdened by bad Third World trading profits, this will permit loans and high overheads, will the Nomura group to arrange help business.

help business.

The second reason is that broaden its product range in Nomura sees itself in com- that area.

Mr Graham Simister, who has the slohal marketpetition in the global market-place not just with other securities houses, but also banks, and is determined to belong to said of the foreign exchange that select category of super-large all-round financial institu-

BY WILLIAM HALL IN NEW YORK

unidentified investor. The move has

Rorer for \$80m in a private transac-

IT COULD hardly look less like tions which are expected to a bank at the moment: bare dominate in the years ahead. The new bank, which is called Nomura International Finance (MIF), will start up on November 3 with paid in capital of £50m (£100m authorised) and a staff of just over 30, only three of whom will be Japanese. But though it must, as a condition for the licence, operate at arm's length from its parent, it will be backed by the world's largest securities operation with shareholders funds of \$4.3bn, and a market capitalisation of more than \$35bn. It is also certain to share its

balance sheet totalling £750m, and be able to make loans up

to film to a single customer.

A key part of the operation—
in the early years at least—will
be the Treasury. The banking
licence will enable Nomura to

the US AA plus. Nomura will also, for the first time, be able

to trade as a principal in the foreign exchange markets.

Andreas Prindl: expecting to dominate the business

is no reason why, with Nomura's capital we shouldn't be as big in the long run as the major banks."

finance itself directly in the inter-bank markets, and it will Mr Prindl says that NIF will be interesting to see whether it can command the same fine do a limited amount of lending.
It will make loans related to its is, in support of securities transactions or to existing clients, particularly government agencies. NIF may also buy part of ffoating rate note issues arranged by Nomura Securities, but again, on an arm's length basis. "We have to be able to say no to deals," he said.

If the arrival of NIF on the broaden its product range in scene has sent a slight tremor through the international bankbeen hired from the Midland Bank to run the treasury side, ing establishment, it is because the Europeans and the Americans are already upset over what they consider to be the predatory practices of Japanese

will be even worse. Not sur-prisingly, Mr Prindl denies that NIF will undercut prices to buy market shares. "We are much more interes-ted in profitability than in racing

up the banking leagues." he said In one sense NIF is different from the other Japanese banks in London: it is a UK bank rather than the branch of a foreign bank, which means it has to abide by UK capital ratios rather than the more re-laxed Japanese ones. Mr Prindl also says that NIF will be aim-ing to achieve "western-style" returns on its assets and equity. To stress NIF's banking cul-ture, Nomura has appointed as its chairman not the group's president, which would be usual, but Mr Hideo Suzuki, a former senior official of the Japanese Ministry of Finance who was for a time Japan's executive director at the International Monetary Fund. Mr Suzuki is now with Nomura, but retains his close contacts with the central banking world.

Although the establishment of NIF is significant for the London banking market, it has also had a big impact in To'yo because it marks a further breach in the regulatory wall that seprates the Japanese banking and securities businesses. NIF has not here welcomed by the

not been welcomed by the Japanese commercial banks which resent the encroachment of securities houses on their acquisition by Sumitomo Bank of a partnership stake in Goldman Sachs, the Wall Street securities houses, shows that there is movement in both direc-

Amgold earnings benefit

BY JIM JONES IN JOHANNESBURG

from 625 cents. Earnings region of R950 an ounce.

financial year

from weakness in the rand

AMGOLD, the gold investment totalled 1,533 cents in the last arm of Anglo American Cor-poration, increased its interim after-tax profit to R168.5m (\$71.7m) in the six months to

The directors attribute the increase to the 22 per cent increase in the Rand-denomin-(\$71.7m) in the six months the end of August, 1986, from ated gold price for the man a was half dollar gold price was \$343 m in an ounce against \$310 the Investment income was half dollar gold price was \$343 an ounce against \$310 the the first half of last year and Rand's continued weakness R340.Im for the whole year.

First-half earnings increased to 768 cents as share from 669 that second half earnings will cents and the interim dividend has been raised to 760 cents price which is currently in the from 625 cents.

This announcement appears as a matter of record only.

Dow said the condition presun

sold them in confunction with the

Dow first disclosed that it had

Rorer recently bought Revion's



Dow Chemical sells

9.4% stake in Rorer

based pharmaceutical group, to an exceeded \$43 a share.

Dow said it had sold 2m shares of Rorer transaction.

DOW CHEMICAL, the US chemical acquired by, another company with-

major, has sold its 9.4 per cent in the next 12 months under terms

stake in Rorer, the Pennsylvania- in which the value of Rorer shares

spurred speculation that the dispo- that the purchaser at that time sal could make Rorer vulnerable to owned the shares sold by Dow or

tion. As a condition of the sale, said bought a stake in Rorer in April Dow, the purchaser had agreed to 1984.

pay Dow an additional amount Rorer recently bought R should Rorer merge with, or be ethical pharmaceutical busin

The Chase Manhattan Corporation (Incorporated in the State of Delaware)

U.S. \$250,000,000

Floating Rate Notes Due 1991

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BankAmerica Capital Markets Group

Banque Indosuez

Banque Paribas Capital Markets Limited

Creditanstalt-Bankverein

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Goldman Sachs International Corp.

IBJ International Limited

LTCB International Limited

Mitsubishi Finance International Limited

Morgan Stanley International

Nomura International Limited

Prudential-Bache Securities International

Société Générale

Union Bank of Switzerland (Securities) Limited

Banque Bruxelles Lambert S.A. Banque Nationale de Paris

County NatWest Capital Markets Limited

Orion Royal Bank Limited

Salomon Brothers International Limited

Swiss Bank Corporation International Limited

August, 1986



Chase investment Bank

Credit Suisse First Boston Limited

Daiwa Bank (Capital Management) Limited

First Interstate Capital Markets Limited

E F Hutton & Company (London) Limited

Kidder, Peabody International Limited

Memil Lynch Capital Markets

Samuel Montagu & Co. Limited

Nippon Credit International Limited

Westdeutsche Landesbank Girozentrale

GMAC to offer bonds backed by car loans

By Our Euromarkets Staff

GENERAL MOTORS Acceptance Corporation (GMAC), the financing arm of General Motors, is to launch next week the first Eurobond issue backed by car leans, Salomon Brothers International will

the growing trend towards the securitisation of leans the securitisation or toans which has already seen mortgages repackaged and sold as bonds to investors.

Issues of bonds backed by car loans have exploded in the US, and more than \$4hn worth has been arranged already this year. Salomon sald yesterday that these US bonds have increasingly been bought by Far Eastern and European investors.

The deal will relieve GMAC's balance sheet of some of its car lending business, and release more capital for lending purposes.

GM, in common with other US motor manufacturers, is US motor manufacturers, as embarking on a programme of subsidised consumer financing to clear a backlog of mostld vehicles. GMACs Eurobond will not, however, haband on large at "incentions of the control of the contr be based on loans at "incentive" rates, since the aver-

age interest payment on the leans is 9.75 per cent. The issue will be backed by a pool of about 24,000 new loans, administered and loans, administered and originated by GMAC, and interest and principal from the loans will be passed on to certificate bolders on a

GMAC will also provide a limited guarantee of receivables for up to 5 per cent of the remaining outstandings in the pool. Exact terms and conditions will be fixed next

The issue is expected to be rated by at least one of the US rating agencies. Standard US rating agencies. Standard & Poors is currently considering downgrading medium and long-term debt of General Motors and GMAC. At present, its senior debt is rated AA+ by S&P and subordinated debt carries an AA rating.

Credit Suisse ponders what to advise on Dome By John Wides in Zurich

CREDIT SUISSE, the lead manager for three Swiss franc issues by Dome Petro-leum, is considering whether to advise investors to accept the hard-pressed Canadian walver of interest payments and capital redemption until the end of next February. The Zurich bank led the underwriting of a SFr 100m issue of six-year notes, due to mature at the end of next month, and of two bond issues of SFr 100m each maturing

Credit Suisse said yesterday it would have to study ocrete details of Dome's oposals. However, the bank is likely to react posi-tively and to recommend inrather than have Dome go

nankrupt.

In respect of possible prospectus liability, the Bank appears confident that this would have applied only in the case of "gross negligence" in the prospectus at the time of terms.

have become highly specula-tive, with 1986 highs of 98.75 for the 5½ per cent bonds and 105.75 per cent for the 7½ per cent issues and respective lows of 52 and 59.5. Between Monday and Wednesday of this week, they dropped from 62 to 55 and from 80 to 73.5

respectively.

Some opposition to eceptance of Dome's proposals already seems to be forming in Zurich investor circles. One independent portfolio manager, Dr David Feder, yesterday called the move unprecedented and strongly recommended bondholders net to accept the proposal, which he claimed worsened the position of the conditors. "The banks can't afford to have Dome go bankrunpt," he said.

SWISS PRANE
STRAMENTS
Avon Cap. Corpin. 59 94
200
Srh. Land Count. 62 99
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Chrysler 54 96
Council of Entities 62
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Creditenants 52 94
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Gen. Occidentale 45 94
Mol. Fond Fin. 54, 94
Mil. Zajaland Steel 58, 96
Oberos Kirthel, 59, 95
Circuit Ingl. 59, 95
Circuit Ingl. 59, 95
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CITIC plans first investment **bank in China**

THE STATE-OWNED China International Investment Trust and Corporation, CITIC, plans to upgrate its banking department into China's first investment bank, Reuter reports.

M Jing Shuping, executive director, is reported as saying the bank will accept funds from companies but not individuals end take deposits in and trade foreign exchange after it receives approval from the State Administration of Exchange Control.

Registration date and capitalisation of the bank, to be called CITIC Xing Ye Bank, have not been fixed but it has started recruiting staff, Mr Jing said.

Anglia Building Society launches £150m floater

borewed £150m in the floating-rate-note market yesterday. The deal came in the wake of a crop of issues for other UK buidling societies. Nevertheless, Anglia's ssne. Which provides an attrac tively high yield for the first three months and is partly-paid, met an enthusiastic response.

Warburg Securities, which led the 10-year deal, fixed the first coupon payment at 104 per cent about i per cent above three-month London interbank offered rate (Libor), although later payments will be at 8 basis points over Libor. Meanwhile, during the first three months the investor will pay for only 50 per cent of his parpriced bond. This is the first three particular three first three particular three first thr time a partly-paid structure has appeared in the sterling floating

note market. Bankers said the bond was being viewed as a three-month trading instrument. This enabled fees to be pared to 16 basis points. The issue was quoted well within this level at

99.90 on the bid side. Credit Suisse First Boston also ventured into the FRN new issues market yesterday with a \$200m 10-year collateralised bond for Santa Barbara Savines and Loan Association, priced at par and callable after three years. Collateralised deals for years. Considerable them for S and Ls have been at cring investors recently because of their relatively high return over Libor and strong credit back-

Yesterday's deal was the first tranche of an eventual \$400m deal. Coupon payments will be at a rate of it point over three-

traded nervously after prices had been marked down sub-stantially on ednesday. Equity warrants issues looked more healthy, and Nomura Securities borrowed \$200m of funds in

this sector. The five-year, par-priced deal became congested. The European tranche will be for \$135m and \$65m will be issued in Asia, by Nomura's Singapore arm.

The deal met an enthusiastic response and traded as high as

coupons of 3 Xper cent and price of par.

Hambros Bank reopened the Australian dellar Europond market — closed to new issues Chubu Electric Power. since a 10 per cent withholding yield was cut from 51 to 51. months. was Yesterday's A\$30m deal was reasons

for Landesbank Stuttgart. The five-year 14 per cent bond was priced at 101. It traded comfortably within 2 per cent com-

ANGLIA BUILDING SOCIETY month Liber and fees total 20 Weir issued a C\$100m 5i-year borrowed £150m in the floating-basis points.

rate-note market yesterday. The Fixed-rate Euroboad markets Trustco Morigage. The bond

was priced at 101. Two high-yielding deals were launched. These appeal mostly to Japanese investors, although some dealers say they also attract some European demand. Tokai International led. and Banque Paribas Capital Markets has a coupon indicated at 3X co-led, a Y20m six-year 8½ per per cent, the level at which cent bond for Denmark, priced most equity warrants deals have been pitched since the market issued a \$150m seven-year 9½ became content of the same of the sa per cent (semi-annual) bond for Westl B Finance, a vehicle of Westdeutsche Landesbank. The

bargain-hunting left bonds un-changed on the day. Commerzbank issued a Nomura International also launched a \$60m equity warrants bond for Sonoike Manufacturing, the heavy machinery company. Nikko Securities launched a \$70m equity warrants bond for Koyo Seiko, a ball-bearing manufacturer. Both five-year bonds have indicated corroons of 3 Xner cent and market prices moved slightly

market, prices moved slightly lower in medium volume. Union Bank of Switzerland priced a SFr 150m 15-year bond for tax was temporarily imposed on Swiss Bank Corporation bond issues and since the delayed the pricing of a Australian dollar's sharp SFr 200m deal for Seagram till decline over the last two Monday, but explained that this was because of technical

Late in the day Kredietbank International launched an Ecu 50m five-year 8 per cent bond for Finance for Danish Industry. The deal was priced at Late in the day Mccod Young 102].

Exxon seeks listing on Tokyo exchange

EXXON, the world's biggest oil its shares on the London Stock ket, which is the second largest company, has applied to list its shares on the Tokyo Stock Exchange and expects this to take place before the end of the year. It will be the first foreign oil company to have its

Exxon's decision comes three months after the company listed

Exchange. Yesterday's news helped ment plans to make presentations to the Tokyo investment community in mid-October.

Nikko Securities is sponsor. company believes, broaden the market for its shares and facili-

in the world. Exxon's manage ing Exxon's application.

Exxon's shares are already tate access to the rapidly ex- listed on a dozen European panding Japanese capital mar- stock exchanges.

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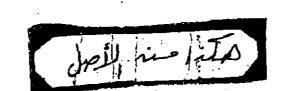
* No information available—previous day's pri-† Only one marios major supplied a price.

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inswritisis illender Denominated in dollars unless otherwise indicated. City, days-Change on days. Con, dates-First, date for conversion into shares. Con, prices Nominal amount of band per share suppressed in currency of share at conversion rate fixed at lettle. Prems-Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the

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FINANCIAL TIMES SURVEY

Friday September 5 1986



China's fertile heartland

Hubei's importance in the national economy is being increasingly recognised but its development depends heavily on better communications and joint foreign ventures

A fortunate province

WUHAN, the capital of Hubel province, and one of the most important cities in central China, is often talked of as a city that has been fortunate in unfortunate times. As current provincial leaders strive to modernise one of the country's most powerful agricultural and industrial machines, so they appear confident they can demonstrate that times change. The Jianghan plain, which straddles the Yangtze river in the heart of the province, is among the most fertile in China. Its prolific red soil grows 20 per cent of the country's cotton, and provides the foundation for a substantial textile industry centred around

textile industry centred around the city of Shashi. Hubei is also the fifth most important

also the fifth most important supplier of grain nationwide.

The lakes strewn across the south of the province—some of them more like inland seas—sustain about 200,000 fish farmers, and make Hubei China's third most important source of aquatic products—even supplying Hong Kong on a significant scale.

The big Gezhouba dam in the far west of the province, which straddles the Yangtze river as it rushes down through the famous Three Gorges from

CE

2,700 MW when complete, is likely to pale into insignificance if the Sanxia—or "Three Gorges"—dam is ever built 40 km further upriver. This project, controversial because it would displace over half a million farmers and significantly disrupt the ecology over hundreds of miles of the upper Yangtze, would have a capacity of over 13,000 MW. Linked with it are plans for a further 12 it are plans for a further 12 dams which together with

By David Dodwell

MW of generating power. MW of generating power.

Also underpinning Hubei's importance in the national economy—with its population of 49.3m making it the ninth most populous in China—are one of China's largest motor industry bases, centred on the No 2 motor vehicle plant at Shiyan, and the Wuhan iron and steel works, which produces about one-tenth of China's steel. The Dave steel

to be opened up to foreign trade as a treaty port. Its importance was also realised by the Japanese imperial army, which fought hard—but in vain—to tap rich supplies of copper and other rare strategic metals around Humpshi on the hards of the Huangshi on the banks of the Yangtze in the east of the

Today, only Chinese vessels are allowed up the Yangtze as far as Wuhan, but the province is beginning to emerge once again as an important exporter after 30 years of being refused access to international markets. Since being given the right in 1980 to export directly, over-seas sales last year amounted to US\$530m, and appear likely to come close to \$700m this

Wuhan has achieved prominence many times in recent years—always temporarily, and often at a cost to fiself—hence its reputation for being fortunate in unfortunate times. Late to the 19th century. Chang in the 19th century, Chang Chitung, the province's reform-

the catalyst of the 1911 revolu-tion that overthrew the Oing dynasty. At a time when Sun Yat Sen, accredited inside China today as the inspiration of the revolution, was in the US, a group of dissident army officers in Wuhan was pre-maturely discovered plotting an insurrection when a home-made bomb accidentally exploded. The pert day — October 10

The next day — October 10 1911—four battalions mutinled in the city. The governor fied, the republic was declared, and within weeks the whole of central China was in republican

of the role of these dissident officers in the establishment of China's republic, but he acknowledged the strategic importance of Wuban when he wrote that the conture of the wrote that the capture of the city "gave us the keys to the whole of central China." For the next 20 years, this

ror the next 20 years, this uncharismatic industrial city was an important centre for China's embryonic communist movement. In 1927, when Chiang Kaishek was focusing his military government on Naning, his soon-to-be-betrayed communics. syen supplying Hong Kong on a significant scale.

The big Gethouba dam in the far west of the province, which straddles the Yangtze which straddles the Yangtze the famous Three Gorges from Sichuan, makes Hubei one of China's most important sources of hydro-electric power, supplying surrounding provinces, and even Shanghai 1,600 km away.

Gezhouba, which will have a significant scale.

Shlyan, and the Wuhan iron a significant scale.

Chitung the province's reforming governor, made Wuhan a chieved strengthening movement. In 1927, when his military government on Nanjing, his soon-to-be-betrayed of strengthening movement "that was almed at modernising the farmous Three Gorges from Sichuan, makes Hubei one of China's leading producers of hydro-electric power, supplying Hong Kong on a significant scale.

The big Gethouba dam in the far west of the province, about one-tenth of the province in governor, made Wuhan a chieved. Bit in the schere in which and steel works, which was steel works, which was steel works, which province and steel works, which will have a shout one-tenth of the province of steering the province in the province of the use of the chieves in whan the province and even Shanghai 1,600 km away.

Gezhouba, which will have a significant scale.

The big Gethouba dam in the far west of the province in governor, made Wuhan a schieved.

Naning, his soon-to-be-trayed on Manigh, his soon-to-be-trayed on Shanghai to the scient time they had been crushed, the adviser, and Soong Chingling, widow of Sun Yst Sen, based themselves in Wuhan. The people salk little today of that unhappy period—or of the citys ment from the flower was always.

China's first steel plant was defeased.

China's first steel plant was deven the province in the province and even Shanghai 1,600 km away.

Gezhouba, which will have a control of a decade. In Wuhan, the anti-Mao "million heroes" faction to the yound and will so soon-to-betrayed communist.

China's first steel plant was deviced.

China's first steel plant was deviced.

China's fi

ance dwindled — only to reemerge as China's capital for
four and a half months in 1938
as Chiang retreated from Naning before the invading
Japanese army. By the time
the Japanese swept into the
city, very little remained
intact.

an economic and industrial innovator. As a graduate of the
rade department of the People's
Construction Bank, he is wellplaced to oversee such development.

Elibert has been set emert as a

HUBD

more impressive in concept than in what they have so far

achieved.
Provincial import-export cor-

People in Hubei today appear reluctant to talk about the period of Japanese occupation, but it is perhaps potable that Japan ranks unusually low as a trading partner and investor. Even since liberation in 1949, Wuhan's political rule has been important but ill-starred. On July 16 1966, Mao Tsetung made his famous swim across the Yangtze at Wuhan, accompanied by 5,000 zealots. At the age of 73, he was warning his opponents that he was not a spent force politically. force politically.

force politically.

Within a year, the cultural revolution had been launched, opponents had been dislodged and the country was being plunged into a period of anarchy that lasted for the better part of a decade. In Wuhan, the anti-Mao "million heroes" faction took up cudgels with the "Wuhan workers general head-quarters" faction, and by the time they had been crushed, 200,000 people were dead, injured or crippled. Wuhan people talk little today of that unhappy period—or of the city's role in triggering it.

play in foreign markets while the only officials to have direct contact with them are those operating the monopolies of

and cost-competitive forces at

operating the monopolies of import-export corporations.

Unlike in some provinces, where a number of larger enterprises have been allowed to set up direct trade links with foreign buyers, this is conspicuously absent in Hubet. Government officials are unquestionably committed to buying foreign equipment, seeking foreign investment, and tapping foreign investment, and tapping toreign expertise.

A large number of foreign experts—many of them German or from Hong Kong—are work-ing as advisors or line managers in factories in the province. Mr Werner Gerich, who heads Wuhan's diesel engine plant, has been made a national hero as a reward for his efforts to raise standards of efficiency.

The rewards of this commit-ment are as yet hard to see, howment are as yet hard to see, how-ever. Hubei has attracted com-paratively few foreign joint ventures—a total of 58, with a total investment value of US\$110m—and a number of those agreed have subsequently floundered. Outsiders' aware-ness of these shortcomings is nevertheless probably more a result of greater-than-usual result of greater-than-usual frankness on the part of local officials than of e higher-than-average failure to seal joint venture deals.

Hubei has been set apart as a testbed for reforms intended to strengthen links between urban centres and their rural hinter-Hubel's slow start in securing joint venture interest may be linked with problems inevitably associated with being so far in lands, and between the vertically integrated state organisations that in so many China's interior. Provincial offi-cials make much of Wuhan's communicationsexcellent excellent communications—based on the Yangtze, and on the main North-South railway between Peking and Canton—but perhaps perceive only dimly how awful China's internal communications are in comparison with other countries in the world. Chinese cities set up formidable bureaucratic walls against co-operation between departments. Despite this policy commitment, evidence of barriers to co-operation remains strong in the province. Grand sounding entities like the General Yangtze River Through Transport Corporation, set up last year as a "trans-provincial, inter-departmental alliance combining water, railways, highway and road transport," appear more impressive in concept

the world.

The province's undoubted strengths as a base for agriculture and mineral extraction.

Surveys on China THIS SURVEY is the second in a new series of surveys of selected regions and indus-trial sectors of China, to be published during the rest of 1986.

Our survey on Tianjin, the trade gateway to Northern China, appeared on Wednes-day August 20. A combined ony August 20. A comming reprint of all these surveys, together with the FT's annual national survey on China, will be available in December. For copies, please send your order to Michael Robinson, Publicity Dept, Financial Times, 10, Caunon Street, London ECAP 4BY, together with a remittance of £5 per copy ordered.

these such as textiles, steel and chemicals, will probably in due course attract foreign interest course attract foreign interest—but this is likely to take time, and may be linked with the completion of projects to improve ports along the Yangtze, speed rail communication, and widen roads throughout the province. The creation of new shipping companies like Datung and Qingchuan are also likely to be moves in the right direction.

tion.
While foreign investments re-mains limited, foreign trade has begun to grow strongly—with, a strong stimulus from the Hong Kong market, which absort is large quantities of Hube i's farm products, and the lio is share of its cotton, ramie, and

textile products.

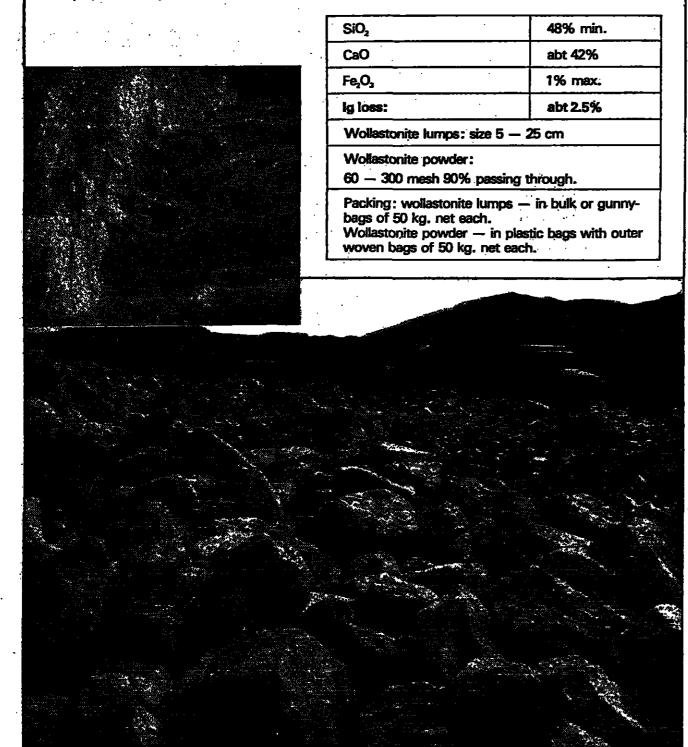
With China hopefully moving into more fortunate times, t'nere is a real chance that Hubei, will in the near future have: the opportunity to demonstrate that its own good fortune need not be linked with turbulen ce and upheaval in the country at

This will certainly be a major aim of Governor Guo and the team of officials s.ppointed around him, and miny both inside China and out; share a

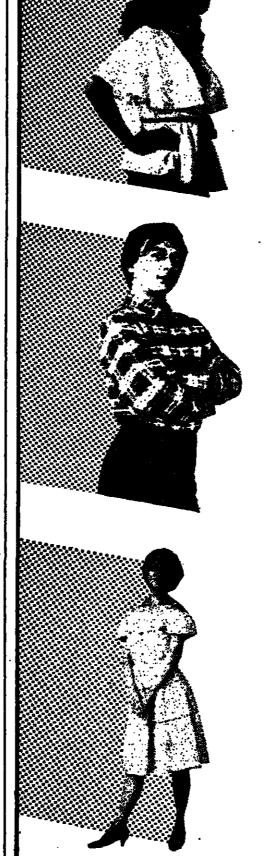
Trade and Investment Profile of Wuhan Industry: tapping the foreigner market Motors: Shiyan, Hubei's little Detroit Taming of the Yangtze Profile of Shashi, the garden city Textiles: Ramie, the big dollar earner Agriculture and aquaculture Business guide

IUBEI WOLLASTONITE

lacquer, rubber and plastics industries.



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A test case for reforms

"NOW WUHAN, build Wuhan," targes a banner strung across a street in this central Chinese city. In the here and now, Wuhan needs rebuilding having been treated with the same neglect that has left so many Chinese cities without lustre and with a chronic collection of infrastructure problems.

The city, however, has a colourful past that lingers in its streets. A foreign conce sion, now rundown but scheduled for renovation, stands on the left bank of the Yangtze which last spilled into Wuhan in 1954. Residents still talk of the "big flood" of 1931.

Seven years after the "big flood" Japanese troops poured into the city, which had a short life as a war-time capital after Nanjing fell. Before the Japa-nese arrived, factories, libraries and the government apparatus were moved upriver to Chong-qing in a Dunkirk-like opera-

After the city fell on October 25, 1938, about 30,000 people and 90,000 tonnes of material were awaiting transport. The Minsheng Shipping Company ignored the squabbling of Chinese officials, and transported the lot up river. Minsheng was sunk after Communist rule began in 1941, but has since been refloated under the since been refloated under the second coming — with bases in Chongqing, Wuhan and Hong Kong—is cited as a symbol of Chira's commercial rebirth.

The city - spread over 8,216 so him in a triptych-like con-figuration of the smaller cities, Hankou, Hanyang and Wuchans – also has an ambiguous revolutionary past. It was, accidentally, the starting point for the 1911 revolution that over-threw the Qing dynasty when an arsenal collected by Chinese revolutionaries exploded and they want furned to schol sheaf they were forced to rebel ahead of schedule.

be an wi

A more recent act of rebel-lion was the mutiny by soldiers in the Wuhan garrison during the cultural revolution (1986 1976), when the city was bloodled by violent faction fighting and the excesses of Mao's teenage "Red Guarda."

Now, Wuhan is in the midst of an economic revolution of sorts, having been given the power of a province to decide on economic policy and engage in foreign trade. It has been



Free market in Wuhan

such as bankruptcy and the issu-ing of commercial paper. The city seems to be feeling its way with the new-found power, and one gets the im-pression that there is competi-tion between provincial and

municipal departments, particu-larly those involved in foreign trade. Several officials, keen to make light of the issue, said that "competition" is not the right word. It is more a matter of "choice," they said.

A good example of that "choice" was provided by the Wuhan printing and dyeing factory, which is under the municipality's jurisdiction. Provincial trade authorities this year increased the amount of hard currency from exports the factory could keen from 125 new tory could keep from 12.5 per cent to 25 per cent.

factory to keep 12.5 per cent. Municipal trade officials indicated that they are considering

Wuhan was given economic autonomy in mid-1984, after a significant visit to the city a year earlier by the Communist Party general secretary Hu Yaobang, who urged local authorities to "make Hubei advance in the front rank in socialist modernisation."

The city was listed as a "port for external trade," the muni-cipal administration was supposed to be streamlined, and a "comprehensive communica-tions network" was to be established to facilitate development. Wuhan officials were asked to set separate targets for "economic, scientific, technological and social develop-

The move has lured the factory's business away from the those goals. Foreign investment municipal foreign trade department, which only allows the enough for the city to be less

ment plans"

affected by the recent toughening of central control over foreign exchange, About 20 joint venture contracts have been signed, with foreign investment of just over US\$30m. About half are manufacturing projects and most of the

Foreign trade has improved, with exports at US\$62m in the first seven months of this year, compared with US\$52m in 1985. While the city has the transport advantage of being situated on the main Peking-Canton rail line, its plans for a new airport are yet to get off the ground A vice mayor, Lin Zeqing, sai that airport designs are still to be finalised. "We are hoping for foreign help," he says. The aim is for construction to be underway by 1990, but no speci-fic fund allocation has been made for the seventh five-year plan (1986-90).

Mr Liu admitted that development generally is still hindered



by the legacy of the cultural revolution. He said the "poi-sonous weeds" have been "basically but not completely" re-moved: "The Physical damage was easy to correct, but the injury to the morale of the people has not been so easy to correct."

The city has moved to improve its inadequate telephone links with a digital communications system from American Telephone and Telegram, which will add 11,000 subscriber lines to Wuhan's net-work, and provide up to 90,000 trunk lines. The US\$4m system was due to go into operation in September, but a Chinese official said that "problems" have arisen and it is not likely to come on line for several

Liu Zeqing said the municipal government's vision is to "open the doors more widely" and turn Wuhan, with its urban population of 3.98m and total population of 6.8m, into a bustling commercial centre in the heart of the middle king-

He, too, says there are no problems in the relationship between Wuhan and the pro-vince. "Fundamentally, we do not have any conflict, and we do not have any conflict in the trade field. The enly competition will be to export more

goods and earn more income for the province."

Mr Lin admitted th flicts exist over the testing of new economic teels in Watern. The most controversial of those experiments has been the hank-ruptcy provisions. While no company is yet to go under, two have officially been put on notice—the Wuhan measuring and enting tools factory and

The vice mayor said that there is an "argument" over whether bankruptcy laws abould be formally introduced, but hopes that "the argument will make things clearer." The city is installing new managers at the threatened factories, and the threatened factories, and will know in the next few months if they are to be declared bankrupt.

declared bankrupt.

Wuhan is one of three cities experimenting with bankruptcy laws, and has, along with Shenyang in the north, issued commercial paper in recent months to case a credit squeeze that had threatened to bring down several amerypieses.

Vice many Lin cald that the Vice mayor Lin said that the city with the ambiguous revalutionary past "still has the flavour of revolution: This revolution can be seen in the

construction of Wuham and the economic reforms," he says. Robert Thomson

Chinese commodities market

61-YEAR-OLD weather A fil-YEAR-OLD weather-besten peasant with unkempt hair and grably clothes was weighed down by large sacks string over each end of a weeden pole. This was one of his twice mouthly risits to the Hamheng Street small commodities launket in

The farmer-turned-trader explained that his dealing in buttons, combs, ribbons, belts and socks carns him almost 200 years (US\$ \$4.7) a month, about five times what he made as a man on the land. His village 100 km away cannot get enough of his waves, but he is officially retired and does not want to push himself

Hanzheng Street was origin Handheig Street was originally the heart of a squatter district that developed into a commercial centre. After Communist rule logan in 1948, the street lost its commercial character and returned to its residential roots.

residential rosts.
In 1979, with the coming of Deng Klasping's brand of conomic pragmatism, individual traders were allowed to resure, and there are now 1,540 stalls selling everytising from also laces to pacusan flashs and Mexico '86

The street's administration office earned ever 800,000 years (US\$216,215) in taxes and fees last year, and the total volume of business was estimated at 500m your.

Tax collection appears to be an arbitrary business, at least according to the descrip-tion by the market's administration director Lel Jiqing, who said that traders are required to estimate their sales, then neighbouring traders will be asked to verify the figures if they appear to be understated.

"We don't consider them as capitalists," he said of the traders, who are allowed to "invite" two or three propie quite different. The thing about capitalists is that they exploit others."

A trader in buttons and "Incky" brand fans said his business is "strying the people." He finds that buttons sell well in winter because that is when rural people make more clothes, while the taus are his best summer line:
"Same menths I make a good
profit, same months I make no
profit and some menths I

CHING KIANG Brand Vacuum Flasks



CHING KIANG Brand vacuum flasks, produced in Hubei Province, are made of top quiaity materials and can be used for either hot or cold storage.

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Modelling available includes: cylinder-shaped, drum-shaped, trumpet-shaped and vase-shaped. They are fitted with various types of mouth-piece, such as eagle-shaped, duckshaped, round-shaped and screw-shaped.

The body of the flasks are painted with various kinds of pattern such as flowers, birds, fishes, insects, landscape, figures and national style chinese paintings. They are not only daily necessities but also works of art for appreciation.



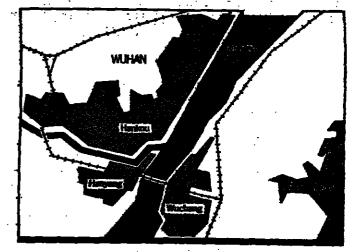
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HUBEI BRANCH OPENS ITS DOORS TO

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Left: swimmers in the Eastlake Wuchang, one of the three cities that make up Wuhan

Trade and Investment

Variable fortunes of joint ventures

WHILE MANY Chinese provinces claim to have suffered badly under the strict central bank)."

The investment corporation believes that it has invested officials are frank enough to admit that they have suffered less than most because their region has yet to attract large scale foreign investment.

The investment corporation believes that it has invested to the corporations are allowing ply of raw materials can be unfactories to keep 25 per cent of certain. Sometimes the Chinese side, the supply of raw materials can be unfactories to keep 25 per cent of certain. Sometimes the Chinese side, the supply of raw materials can be unfactories after quotas they have been filled, while the municipal trade corporations are allowing ply of raw materials can be unfactories that it has invested brackers that it has invested in loint ventures for a textile in loint ventures for a textile only of which are exporting about 90 per cent of their outside in loint ventures for a textile only of which are exporting about 90 per cent of their outside in loint ventures for a textile only of which are exporting about 90 per cent of their outside in loint ventures for a textile outside of that the provincial factories to keep 25 per cent of certain. Sometimes the Chinese export earnings after quotas have been filled, while the municipal to the content of the provincial factories to keep 25 per cent of the content of the content of the provincial factories of the provincial of the content of the region has yet to attract large scale foreign investment.

Similarly, the province's foreign trade has risen steadily and unremarkably, showing that while the Yangue River has been a useful asset, Hubei is still well behind the trade levels of the more prosperous coastal areas.

On export volume, Hubei ranks 10th among China's 23 provinces and regions, but that is at least a rise of two places from its position in 1980. In nominal terms, exports rose from US\$250m in 1980 to US\$450m in 1984 and US\$540m last war. last year.

However, some provincial officials are certain that the region would improve its foreign investment levels given more power by central authorities or a least given the restriction. ties or at least given the restor-ation of power allowed in 1985. Among them is the vice-presi-dent of the Hubel Provincial International Trust and Invest-ment Corporation, Zhao Julun, whose organisation occupies what was the Bank of Tokyo building before communist rule began in 1949.

Mr Zhao said that before 1986 the Investment Corporation "performed very efficiently," but "in 1986 this kind of corporation is controlled very tightly": "from 1983 to 1985. we could borrow foreign money very freely. Now, if we want to grow money we have to make

the investment corporation believes that it has invested prodently, having taken a stake in joint ventures for a textile mill, and a hed sheet plant, both of which are exporting about 90 per cent of their output, and raised loans for numerous other trainers. ous other projects.

"It is my feeling that perhaps the central government thinks too much has been berrowed in China and that perhaps we will have a problem of repayment," said Mr Zhao, who was of the opinion that the central authorities are over-cautious.

The investment trust, which is supposed to raise funds for joint ventures, has a curious relationship with the Bank of China, which handles foreign exchange dealings and also arises finance for joint ventures. tures.

Mr Zhao said that no com-petition exists between the two organisations, though each has its own "trade secrets," while Dong Weimin, deputy manager of the international department of the Bank of China's Hankou branch, said that both organis-ations are unlikely to assist the same venture and that Chinese organisations have a choice.

The concept of "choice" also applies to which foreign trade corporation is used by factories in the provincial capital of Wuhan. Since 1984, Wuhan has

However, the director of the Wuhan printing and dyeing fac-tory, Mr Jiang Yanping, ex-provide substandard equipment.

The president of the Wuhan The president of the Wuhan administrative commission on foreign economic relations and trade. Mr Wang Guisheng, maintained that the municipality had fared well since winning its trade independence. In the first seven months of 1986, exports totalled US\$62m, compared to US\$52m for 1985.

Mr Wang said that the city had established 25 joint ven-tures with foreign investment of just over US\$30m. The proviace, spart from those set up in Wuhan, has established 39 joint ventures, with foreign investment totalling only US\$18m.
Of those projects, 35 involve
companies from Hong Kong and
Macan, while four are with US

The deputy director of the foreign investment division of the Hubei foreign economic relations and trade bureau, Mr Zhou Zhixian, conceded that seven of the ventures have vir-

tually collapsed. "Hubei has the same problems as other places. We see the responsibilities falling half on the Chinese partner and half had the power to export on the foreign partner. For directly, and has set up the necessary trade corporations to conduct that work. Mr Zhon said.

Hong Kong companies have contributed most of the foreign investment, yet there has been no investment from Japan. China's largest trading partner. Mr Zhou Zhixian sald Japanese investors "see more difficulties" with projects in China, and are

with projects in China, and are a "hit conservative."

The vice-director of the Hubei foreign economic relations and trade department, Mr. Fan Kaishi, said that the province had established offices in Guangzhou and the Shenzhen special economic zone in an attempt to lift its trade performance.

During the seventh five-year plan (1986-1990), the province aims to increase its position from tenth to ninth on the Chinese trading ladder, and hopes to diversify both its export markets and products, which are headed by textiles, agricultural produce, chemicals, machinery and light industrial

goods. There has been a decrease in the proportion of primary product exports, while manufactured goods, which made up 57.5 per cent of all exports last year, are continuous to primary to the property of the prope are continuing to rise. Also, while Hong Kong remains by far the largest market—in 1975 about 50 per cent of goods ex-ported were sold to the territory—its share is falling, and last year the figure was 40 per

Robert Thomson



of straw, wicker, bamboo, cane, etc.
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are Chinese paintings,

shell pictures, wood carv-

ings, freshwater pearls.

jewelery and ornaments,

turquoise carving, fur-

nishings of both Chinese

and western styles, drawn-

works, shoes and hats, ar-

tificial flowers, plastic pot-

ted landscapes and gifts,

Chinese ilex chopsticks,

art ware in packs, um-

brellas, pottery and

porcelain products, plaster

toys, woven articles made

China National Arts & Crafts I/E Corp., Hubel Branch Address: 347, Building 63, Jielang Rd, Wuhan, China Tel: 331127 Cable: 2005 Wuhan (Home) "HPCRAFTS" WUHAN (Abroad) Telex: 40162 HBART CN

The import development

department handles negot-

iations with domestic and

foreign businessmen on

enterprise investment.

This department also acts

as agent of domestic enter-

prises to import various

raw materials and aux-

iliaries, technology and

equipment; runs enter-

prises at home with joint or

single venture and/or for

coproduction, opens up

channels of cooperation

between domestic and

foreign enterprises, processes based on the samples

and materials supplied by customers, does assembly,

and runs industry-trade joint ventures at home,

Making of a national hero

INDUSTRIALLY SPEAKING Wuhan has been the focus of national attention because of the management exploits of a retired West German engineer, Werner Gerich, who took con-trol of a diesel engine factory

The enterprise had the prob-lems affileting many factories in Hubei: outdated equipment that was installed in the 1950s. and a management system that stifled initiative. Mr Gerich

stified initiative. Mr Gerich fired the plant's engineer and the chief quality controller, tidied up the parts supply system, and strictly monitored working hours. As a result, he became a national hero.

While most of Mr Gerich's alterations were basic, similar changes need to be made in many factories. The province and Wuhan, in particular, are paying the price for an industrial evolution disrupted by the Second World War, and then hampered by policies that seemed content with 1960 levels of advancement.

Before Wuhan fell to the Japanese in October 1938 — at

Japanese in October 1938 — at the time it was the Chinese capital — the heart of its in-dustry was transplanted up the Vangtage Piran to Changeier Yangtze River to Chongqing (Chungking). A few years after the war finished, Peking decided to get industry off the ground again by moving factories from Shanghai to Wuhan

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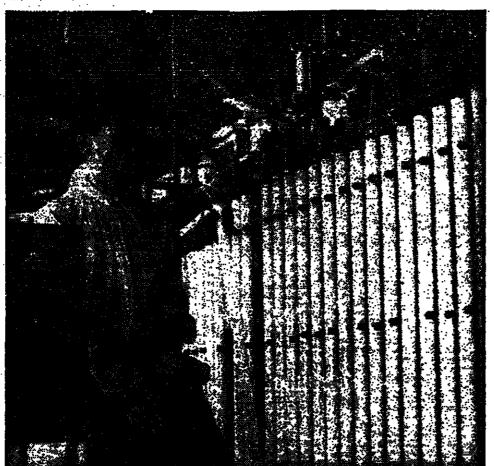
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suffect's adminis Series of the se

> One of those plants is the Wuhan printing and dyeing facwoman priming and dyeng rat-tory in Wuchang. Its director, Jiang Yanping, said the Shanghal shift was intended to "plant the seed" of Shanghai's industry in what was then a struggling city. her Jiang's factory has also

> tapped the retired foreigner market. They had a retired British engineer working for three months until June this year, and are fishing for another year, and are naming for another British technician for next year. Wuhan, which is the largest industrial centre in central China, plans to increase what it calls "intelligence imports" by having 80 doreign experts working each year in the city. Last year, there were 55 such specialists advising on indus-trial reform.

Mr Jiang concedes that a major difficulty for Chinese producers is guessing the wants of foreign buyers — about 20 per cent of the printing factory's conjust is sold in South East Asia, while 30 per cent is sold in South East Asia, while 30 per cent is sold in the three-decade-old factories in need of renovation. (The factory was officially opened on the factory, like most others in Wuhan, suffered because of power shortages earlier this carry was officially opened on the factory, like most others and the factory, like most others anniversary, they have to make clear they are talking about year after the provincial gov-ernment ruled that energy for industry should be diverted to



Finorescent light tub \factory in Shashi.

drought. The measures were announced in April, and some factories were instructed to cut their use by at least one-third. their use by at least one-third.

Since then the rains have come, and the problem has eased. However, the situation highlighted the thin line between adequate and inadequate power, a line that has been crossed many times at the Wuhan Iron and Steel Company, the second largest of its kind in the commity.

In 1974 the commany bought

In 1974 the company bought rolling mills worth US\$600m from Japan and West Germany, but it was not until last year that the equipment's potential was fully realised because of energy shortages.

Mao's visit and not the down-fall of Mao's former offsider, Lin Biao, on September 13

Last year, the company bought a steel painting line from Davy McKee of the UK for US\$4.98m, and has been

the transportation is a problem.
We have not bought any ore from them yet."

This year the plant will produce about 4m tonnes of steel, and although officials alain the state of the state

admitted that special steels are not and would not be its speciality, despite growing

Domestic demand for a factory bidding system is more uncertain. About 35 Wuhan enterprises were experimenting

for US\$4.98m, and has been enterprises were experimenting with Japanese and West German companies for 1984, but industry officials other major purchases. About a third of its iron ore is imported from Australia, with the remainder of the 8m tonnes annually coming from Chinese mines.

The company has felt the push of Brazil into the iron ore market, having received several delegations this year trying to convince it to change the allegiance from Australian to Brazilian ore: "The Brazilians offer a very good price, but the transportation is a problem. We have not bought any ore trem them yet?"

The actory vice-director, Zher wei, hopes for more power next year, but the issue is sensitive as inefficient suppliers could face bankruptcy, another them yet?

The company has felt the push of Brazilian ore: "The Brazilians to China. There has been little or no change of suppliers so far weight of the works, which last year earned 3.8m yuan (US\$1.05m). The factory vice-director, Zher weight of the suppliers could face bankruptcy, another controversial issue, if they lose long-time customers.

we have not bought any ore
from them yet."
This year the plant will produce about 4m tonnes of steel,
and although officials claim that
it has developed 50 new production, the
ducts, 30 of which are supposed
to be in mass production, the
general manager of the China
general manager of the China
Metallurgical Import and Export
port Corporation, Shen Wenzu,
and as yet no workers have

Robert Thomson



Little Detroit of the province

Motors

tive Detroit.

In fact, the parts factories and support industries are so numerous that the hilly region, chosen as the factory site partly out of fear of the Soviet threat during the late 'sixtles is unable to take much more develop-

ment.

So the number two factory with its 95,000 workers has had to spread the load to Kiangfan, about 150 kms to the east, where a new truck factory, specialising in heavy-duty eight to 14-ton diesels, is under construction.

The Shiyan auto works has been lauded by Peking authorities as a model of self-reliance and efficiency, but the factory has borrowed much from Japanese management techniques and has been increasingly im-

and has been increasingly importing equipment — mostly Japanese, West German and British—to improve the pro-

Chinese enterprises this year to give material incentives to workers. It automatically stronger than supply, and expected belied to pay the tax.)

The expansion of the plant's productin—up by an average of 54 per cent in each of the past six years—has left holes in the production chain. There are not enough test drivers, and equipment in some of the support factories are Dickensian in age. A military theme lingers, with 2.5- and 3.5-tonne cross-country vehicles built fundamentally for military use. But with China's present policy of commandeering military resources for civilian use, the emphasis is on commercial vehicles.

Similarly, the auto works are constructed and the support factories are commercial vehicles.

Similarly, the auto works are for a commercial vehicles.

Late the china Machinery pleting an agreement to supply the Shanghai Volksvagen shall export Corporation.

Import and Export Corporation, pleting an agreement to supply the Shanghai Volksvagen shall export Corporation.

Domestic demand is still stronger than supply, and export comprised only 2 per cent of that project's drive to localization. The vice mayor of Shiyan city, Xiang Machao, explained that the number two the development of the city, which has given priority to making the remote area more congenial so as to attract work-and the vice-president of the automobile works, who is feeling an agreement to supply and explantation. The vice-mayor of Shiyan city, Xiang Machao, explained that the number two the development of the city, which has given priority to which has given priority to making the remote area more complex is the treatment, said Gao Ming-area to every said and the city strategy the automobile works, who is feeling an agreement to supply and explained that the number two the city, which has given priority to which has given priority to which has given priority to the development of the city, which has given priority to which has given priority

THE LOCALS call Shiyan, in the assembly plant, workers port ambitions, and its strategy to decentralise authority to do the trucks is such that they voince, "motor city" but 17 years ago, before work began on the number two motor factory, there were no more than 100 families in the area. Now, the city of 380,000 is a diminutive Detroit.

In fact, the parts factories

sources for civilian use, the emphasis is on commercial vehicles.

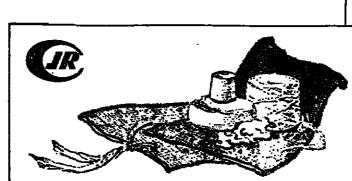
Similarly, the auto works foreign trade name—its dome-stic brand is "Dongleng" (east

been to the Philippines, Came-roon, Sudan and Mali.

The plants engine block plant is on the verge of com-pleting an agreement to supply the Shanghai Volkswagen

Robert Thomson

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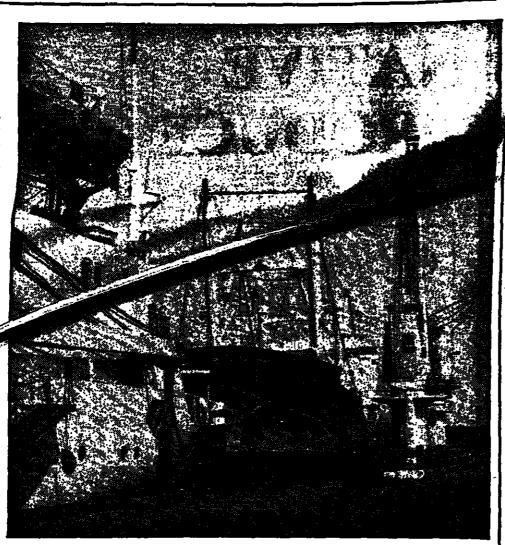
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Wuchang, Baihushan will eventually have six floating berths, storage space <u>f</u>or 30,000 tonnes of cargo, and a dedicated rail link to China's main north-south railway. At present, its two berths handle about 200,000 tonnes of cargo

Zhang Guampin, chief engineer of Qingchuan Ship-ping, says the company has been operating from Baihushan since customs facili-ties were completed in

vessels now ply direct between Hubei and Japan, Hong Kong and Singapore, saving the provincial import-export corporations invalu-able waiting time at the con-

The bulk carriers are the biggest the shipper can safely navigate up to Wuhau, because of height restrictions on the rail and road bridge that crosses the Yangtze at Nanjing: "We need to buy vessels shaped rather like me," he jokes: "They have to be rather short and rather



Garden city transformation

the textile city and the epicentre of cotton-growing country

LIU ZONGMEL, deputy Mayor is in many ways a symbol of the young textile city that sits at the centre of the Jinzhou area, the very epicentre of China's cotton-growing country. She is young herself—though too discreet to reveal how young —and a graduate from Shang-hai's National Textile Univer-

sity.

Before being appointed a deputy mayor early this year, she had spent most of her career and the career than the career working in the textile industry. cky" because of its leadership's in a city where a quarter of rare attention to poliution prob-

ectly employed in the textile and garment industry, she could not be better placed to feel the beat—and to orchestrate the development—of a city where textiles account for 50 per cent of total industrial out-put value, and 70 per cent of exports (which amounted to RMB 144m yuan (£28,47m) in 1985. The Jinzhou area—a total of 12 counties close to the Yangtze river in the centre of the fertile Jianghan plain—pro-duced half of Rubei's cotton last year. That amounted to 10 per cent of the total produc-

tion in China.

Despite the labyrinth of testile and garment factories, it has won the title of a "garden city" because of its leadership's

lems, and urban planning.
Sanitation is among the best in China, along with the standard of hospital services, according to reports in the Pekingbased New China News Agency. Trees, parks and lakes produce a striking contrast to the drab, grey sprawl of most modern Chinese cities.

Shabi has also been set anarched.

as an experimental base for China's economic transforma-tion. After the two decades up to 1980 when the country's cities and rural areas had been encouraged to be self-sufficient, Shashi is among a group of cities asked to develop as rapidly as possible economic and commercial links between the city and its rural hinterland.

The leadership has also been The leadership has also been encouraged to establish direct

links with research centres across China as an aid to its modernisation. As a result, the textile industry in Shashi draws directly on the research findings of Mrs Liu's own university, the National Textile University in

Shashi's light industrial manufacturers have built up links with the technical and scientific institute in Wuhan, while local chemical manufacturers are applying the research of academics at Peking's Qinghua University. And if that is not enough to set the city apart, it thoasts Cliffia's largest manufacturer of vacuum flasks, which in 1985 made a quarter of the country's output of 16m flasks used to carry boiled water.

David Dodwell

The taming of the Yangtze

were swept down by the Yangtze from China's far West into the plains at the heart of the country have created around the river one of the most fertile regions on earth. At the same time, its floods have taken their toll of millions of Chinese lives. People still today talk of the "great floods" in 1931, 1935 and 1954.

When Mao Tsetung in 1966 began to claw power back from Liu Shaoqi, eventually unleash-ing the cultural revolution on the country, he gave warning of his re-emergence by swimming across the Yangtze at Wuhan. At the age of 73, he used the river's power to emphasise that Mao was anything but a spent force. but a spent force.

The symbol was lost neither on the 5,000 zealots who swam across the river with him, nor on the Red Guards who a year later rose up around Mao to sweep Liu—and with him men like Deng Xiaoping—from

Even in today's calmer times the Yangtze lends a charisms to dozens of cities on its banks that in every other sense would be bland, sprawling industrial

complations.

This is particularly so in Hubei, where Yichang, Shashi, Huangshi and, most prominently, Wuhan have grown to play important roles not just in the development of the province, but in the economy at large. "The Yangze is unlike the Rhine or the Mississippi," save Lu Guowei, who heads the says Lu Guowei, who heads the recently-formed Datung Ship-ping and Trading Group based in Wuhan. "For a start, most of China's industry is based on

the railways, not on rivers."
As a result, the Yangtze is greatly underused as a means of transport—but is perhaps at the same time less polluted than it would be if factories lined its banks. It is also underused as a source of hydroelectric power, despite the near-com-pletion of the 2,715 MW Gezhouba dam on the western outskirts of Yichang.

It is noteworthy that plans for Gezhouba dam were first laid in 1958, in the aftermath of the 1954 flood. As important then as the supply of electricity, was the prospect of improved irrigation, flood con-

Just as heroic revolutionary feats enabled workers to remove mountains, so the breaching of the Yangtze at Gezhouba involved the taming of what had previously been regarded as untamable. The threat of flood has now receded, and irri-gation along the Yangtze's inter-departmental co-ordina-

banks is extensive, bringing tion, new shipping groups are China's greatest river and its 15,000 km of navigable tributaries, for long under-used as a means of transport are being harnessed

for hydroelectric power

Gezhouba was ambitious even by today's standards, but it Gorges — or "Sanxia" — dam 40 km further upstream. If built, this project — improving navigation, flood control and the upper reaches of

A new two-year review of the Sanxia project was recently ordered, and even if it then gets a green light, it is unlikely to be in operation of the century. in operation before the turn

It is a measure of the untap-ped potential of the Yangtze that the Gezhouba and Sanxia projects are but two of 14 dropower stations propo for the upper reaches of the Yangtze which would have a total installed capacity of 40,000 Mw.

As an artery for domestic and has also been barely tapped tories are based on railways, partly because many railways travel parallel to the Yangtze, and partly because the "selfsufficiency" drives of the cultural revolution reduced the need of many major centres to trade with other parts of the

tributaries.

Port facilities are being up to the national railway modernised despite the technical difficulties that arise on a river that is 20 metres desper in food than it is when water is conduct foreign trade river that is 20 metres deeper in food than it is when water is low. Linkages between rail, road and water transport are being established despite strong eratic obstacles to such

immense benefits to China's being established. Most impor tant, ports like Wuhan have been given the right to trade directly with the outside world.

Of the 321m tonnes of cargo dwindles into insignificance Of the 321m tonnes of cargo against plans for the Three carried on China's inland water Gorges — or "Sanxia" — dam ways last year — about one ways last year — about one fifth of China's domestic freight - shout 230m tonnes was car ried along the Yangtze and its navigation, flood control and ried along the xangize and its irrigation on the Yangize — tributaries. Vessels up to 5,000 would have a generating capation tonnes (the limit imposed by city of more than 13,000 Mw, the road and rail bridge cross-but would displace almost a ing the Yangize at Nanjing) million people, and result in take about two days to carry major environmental changes in freight as far as Shanghal. Two days in the opposite direction would take vessels of up to 3,000 tonnes to Chonguig in the

> The Changjiang Shipping Agency, the state-controlled Agency, the state-controlled shipper that until recently had a monopoly of transport on the Yangtze, operates 2,000 vessels with a capacity of 1.7m dwt. Alongside this agency, however, proliferate more than 800 shipping companies that operate about 230,000 smaller vessels along the Yangtze's tributaries.

> More recent creations are the Qingchuan Shipping Company, founded in 1981 by the ministry of foreign economic relations and trade, which dominates Huber's foreign trade, and Datong Industries, a collective Datong Industries, a collective operated by the family that ran Minsheng Shipping before 1949, which today operates tugs and barges along the Yangtze, transhipping at Nanjing or Shanghai to ocean-going vessels controlled by its Hong Kongregistered associate.

THE TEING red waters of trol, and better navigation with the reverse of these control along a waterway that gives policies, so central manifelations for centuries cities more than 2,000 km into the minds of generations of Chinese people.

The rich aluvial soils that redolent with symbolism linked with man's conquest of nature.

The rich aluvial soils that with man's conquest of nature.

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The rich aluvial soils that with man's conquest of nature.

to conduct foreign trade-Baihushan at Wuhan, and the port at Huangshi.

Officials in Wuhan estimate that about 35 per cent of the cargo leaving the city is carried by ship. They concede that the by ship. They concede that the present administered pricing system for freight transport remains skewed in favour of rail, but have no immediate plans to adjust freight charges. to make shipping more attrac-

Economists at the World Bank gauge that the true cost of river transport—particularly for bulk cargoes like coal, sand, timber, cement, bricks and mineral ores—is less than 65 per cent of transport by rail. Even more significant in country where energy is in extremely short supply is the fact that energy costs for every tonne-kilometre carried by ship are about 30 per cent of the costs of rail transport.

With such cost comparisonsand the fact that China's railway system is chronically over-burdened — the need to boost river transport appears urgent. river transport appears urgent. The appearance of organisations like the General Changiang river Through-Transport Corporation—intended to cordinate road, rail and water transport between Chongoing in Sichuan to Nanjing in Jiangsu —is thus a move in the right direction. Evidence of their putting thoughts into practice would be even more encouraging, but this has yet to material-

Zhu Bingxian, head of the foreign economic relations and trade commission at Yichang in doubt that his city's growth would be greatly enhanced by more effective use of the Yangtze: "I think we use about 20 per cent of the capacity of the Yangtze at present," he said. "If it were fully used, it would be worth 40 railways." How long it will take to reach this point—and what Yichang, Wuhan or Huangzhi will look like then-is anyone's guess.

David Dodwell

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Struggle for greater power

The Gezhouba dam: an effort to tap the immense force of the Yangtze

AS GEZHOUBA DAM, 2,600 metres long and 47 metres high, nears completion, so it is diffi-cult to imagine the mammoth effort of human will involved

in its construction.

When work was at its peak, 120,000 workers swarmed across the site. The city of Yichang, which even today only has a population of 400,000, must have reeled under the impact of such a project on its door-step. More than 100 workers

step. More than 100 workers died breaching a river that had never before been tamed.

The first initiative for a dam at Gezhouba came in 1958, shortly after major floods killed thousands along the banks of the Yangtze and swept away numerous villages and homes. Floods—like the tyranny of the landlord classes—had throughlandlord classes—had through-out history seemed to be a cross that China's peasants would always have to bear.

would always have to bear.

With liberation in 1949, and the overthrow of the landlord classes, suddenly the impossible seemed possible. The Communist Party leadership, inspired by the recent victory over the landlords, realised that the taming of the Yangha was also symbolically within its grasp.

It took until 1970 for work to begin, and even then the turbulence of the cultural revolution brought work to a halt between 1972-74. It took until January 1981 for the main channel of the Yangtze to be closed. The first seven of the dam's 21 turbines began generating electricity seven months later.

later. By the end of this year 11 By the end of this year 11 turbines will be in operation, with an installed capacity of 1,465 Mw. All 21 turbines are expected to be running by the end of 1988, providing China with 2,715 Mw of generating power. The total project will have cost RMB 4.8bn Yuan (5882m). according to local (£882m), according to local

officials. It is sobering to realise that China, with installed capacity nationwide of 76,600 Mw in 1983, needs to build the equivalent of two Gezhoubas every year to meet the country's

growing energy needs. Bubei province has clearly benefited from the construction of such from the construction of such a major power plant inside its boundaries—power shortages are uncommon, in sharp contrast with many parts of the country—but the project is designed to supply electricity to provinces right along the Yangtze, with power lines stretching 1,600 km to Shanghai.

Even before it is complete

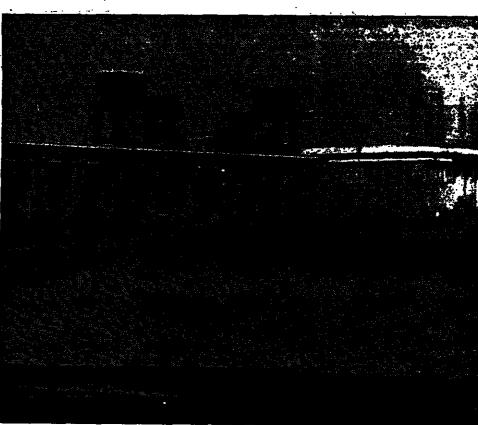
Even before it is complete, China's insatiable appetite for power has shifted attention to bigger projects tapping the immense force of the Yangtze. The controversial Sanxia, or Three Gorges, dam 40 km up-river from Yichang would pro-vide more than 13,000 MW of enerating power,

contine plans exist for a further 12 hydropower plants on the Yangtze and its tributaries that could together provide 40,000 MW of power. Concern over the environmental impact of Sanzia—not least the fact that about one million people settled on fertile farming land would have to be resettled—has persuaded Peking to spend a further two years studying the project.

studying the project.

Since the plant would have a 15-year gestation period ahead of commissioning, nothing can now materialise until well after the end of the century,

In the meanwhile, more modest projects like Gezhouba will have to suffice. In most countries, the likes of Gezhouba could be expected to satisfy energy needs for years to come. In China, it is part of a race against time.



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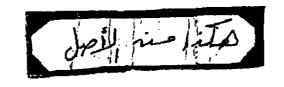
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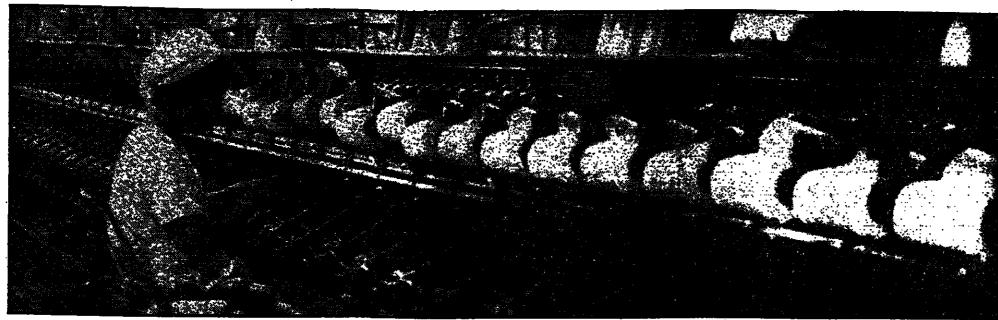
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Cotton textile factory in Shashi, a textile city in Hubei.

Ramie proves a big dollar earner

TRAVELLING WEST from Wuhan to Shashi through the heart of the Jianghan plain, the

Jiaughan plain (see separate article on Shashi). They used about 10 per cent of the province's 490,000 tonnes of raw

cotton crop in 1985. Between them, these mills produced 300,000 tonnes of cotton yarn, and about 1.13m metres of cotton cloth in 1985, improving output by virtually 20 per cent over 1984. A bare 6 per cent of yarn was ex-ported, and 9 per cent of cloth, but these two products between

Hong Hu, more like inland seas rather than lakes—also make

rather than lakes—also make the province an important base for aquaculture.

The lakes also serve an a chilling reminder of the floods that have through history wrought such damage along the hanks of the Yangue. Officials now claim that the threat of flood has receded, with huge damag like Gezlouba controlling flood-water flows as well as providing much needed hydroelectric power.

heart of the Jianghan plain, the cotton fields are in full flower in August—vivid evidence of the flourishing textile and garment businesses that make a critically important contribution to Hubel's manufacturing sector.

Nearly 440 textile mills, and as many more garment factories, are based across the province are based across the province for textiles and garments, and —with a large proportion of them around Shashi in the Jianghan plain (see separate Hong Kong to boost exports

ramie into a vatuable ingredient for textiles and garments, and have enabled quota-bound manufacturers in places like Hong Kong to boost exports without falling foul of increas-ingly vigilant customs officers in U.S. and European ports. Production of ramie in 1985

was a modest 40,000 tonnes—a fraction of what could be produced. This still enabled the duced. This still enabled the plans to divert the Tising outgarments branch of the Hubei Import Export Corporation to export 1m dozen ramie-mixed Che US garment importer alone third of China's total, earning US\$6m.

About 9,000 tonnes of ramie-

YOU CANNOT be long in Hinbei before someone tells you it is "a province of fish end nice." The description may sound like a clické, but there is no doubting its accuracy.

Fed by the Yangue river, its rich red alluvint soll is among the most fertile in China. The Jianghan plain around Shashi is not only one of China's main rice-growing areas, but a cotton-

bursting after three good years of harvests—both factors which

of harvests—both factors which would suggest a cutback in production was called for—but at the same time argue that per capita consumption of grain in China is still low by international standards, and that the correct policy would be to improve storage facilities rather than cut back production.

than cut back production.

The commitment in Hubel

rice-growing areas, but a cotton-growing region of considerable importance to the economy.

An ehundance of lakes (the Chinese will also eagerly tell you Rubei is "a province of a boosting grain output. Officials make light of the goperently confusing signals from Peking late last year about of the province—some, like thong Hu, more like inland seas that storehouses are full to hussing after three lood years.

providing much needed hydroelectric power.

Ironically, the threat of drought was more urgent early this year, despite extensive irrigation schemes in large parts of the province. After a period of the province. After a period of the province of the pr

invigation schemes in large parts of the province. After a period of heavy diversion of electricity from industry and from urban areas between March and June, disaster appears to have been averted.

Early rice crops will be smaller than usual, but after good rains early in July, officials claim that most lost ground will be made up by better than

Agriculture

Strong base for aquaculture

one-third of Hubei's total export
earnings last year.

The province has also become
the centre in China for production of ramle — a fibre crop
rather like jute that until
recently was grown in small
quantities for the production of
sacks and gumpy bags.

New processing and finishing
methods have transformed
ramle into a valuable ingredient
for textiles and garments, and
thave emabled quota-bound
manufacturers in places like
Hong Kong to boost exports

mixed yarn was exported—
mainly to Hong Kong. Along
with ramie place cloth, this
earned a further US\$31m.

Well aware of moves in the
US and Europe to bring ramle
of ramle " in the Import Export
Corporation—is pressing hard to
boost foreign sales: "Now is the
rush time," he said, "We have
to boost exports

With garment producers in
With garment producers in

With garment producers in Hong Kong, Korea and Taiwan recently coming under quota restraint—and therefore un-likely to be able to boost pur-chases of ramie cloth and yarn on any significant scale—Lin plans to divert the rising out-

ingredient in textiles and gar-

ducts. These range from the famous Wuchang and mandarin fish, to eels and freshwater crabs. Output last year amounted to 375,000 tonnes, about 30 per

cent up on the 1984 total. Rapid increases in output can be ex-

increases in output can be ex-pected in future, since intensive fish farming is only an an embryonic stage.

A number of experimental enclosed lakes" set up

"enclosed lakes" set up recently have managed to pro-duce 750 kilos per hectare— about six times the output of

about six times the output of normal fishpounds.
World Bank and United Nations funds are being used to improve fish breeding techniques, and to set up plants making fish foods. Officials say they need 25n rmb yuan (2361m) over the next five years to meet output targets, but con-

to meet output targets, but con-fess that they may have to be satisfied with less.

The province is important for animal husbandry, with 13.9m pigs slaughtered in 1985, and a

pigs stangardered in 1885, and a number of industries estab-lished to process meat products. Ducks reared on the lakes are the basis of a significant indus-

Hubei is China's third most important source of aquatic pro-

back 30 years, serious efforts are being made to improve techno-logy: "We are not just trying to modernise to meet overseas demand and standards," said Wen Xinwang, manager of the garments branch, "We are try-ing to modernise the whole in-dustry—whether it is producing for the domestic market or experting. We have to lay the exporting. We have to lay the right foundation."

Advanced equipment worth US\$10m was imported last year and in 1984 for use in 23 factories, and a further US\$10m is slated to be spent this year. Managers from Hong Kong are also on contract to a number of factories in the province. A total of nine joint venture

try making down products, while chicken rearing makes it a major export base for fresh eggs—mainly to Hong Kong.

In fact, Hong Kong is a sub-stantial export market for Hubei's farm products, account-ing for 60 per cent of last year's US\$70m in export earn-ings from farm products. Over \$20,000 live pigs were exported by the live by Hong Leng last

by train to Hong Kong last year—a total bettered only by Guangdong—along with about 180m fresh eggs (20 per cent of the eggs beaten in Hong Kong), and 2,500 tonnes of fish.

It is little known that the femous Shanghai heiry arab—a

famous Shanghai hairy crab—a delicacy in many Hong Kong

restaurants through the autumn months—in fact comes from Hubei. About 120 tonnes are

air freighted to Hong Kong via

Canton every year.

As officials learn more about

the advantages of manufactur-ing processed farm products, so efforts have begun to be focused

on setting up meat processing factories, canning and drinks plants and other food industries. Chip processing equipment has been bought by one provincial

corporation, for example, while discussions are in progress on a

possible joint venture with the PIG Improvement company of

the US.

In years to come, it is unlikely that Chinese people will forget Hubel's heritage as a "province of fish and rice"—but as its

farmers diversify into a wide range of more profitable cash crops, so the cliche is likely to

David Dodwell

doubt be the greater for a recently - introduced bonus have been set up—all but one of system for the import-export them with Hong Kong partners. Corporation's salesmen which can double their monthly Dragon Knitters in Puqi, has installed US\$5m of modern Hubei's garments branch must while a large number of the province's textile mills date back 30 years, serious efforts are being made to improve technology. The industry still has striking time to train the modernisation of Hubei's textile industry.

shorter fibres (around 27 mm) that can be grown in Hubei. Long fibre cotton is in very short supply, and at present is grown only in Xinjiang pro-vince. Manufacturers wanting cloth or yarn made from long fibre cotton have to request it specially, will have to pay a substantial premium, and can expect production delays.

It is also striking that Hubei's ramie garments cannot be made from cloth brought straight from Chinese mills. All of Hubei's ramie cloth is exported to Hong

Investments in the modernisa The industry still has striking tion of Hubei's textile industry weaknesses. Almost all cotton may appear modest by internacioth is produced from the tional standards, and the equipmay appear modest by interna-tional standards, and the equip-ment in use in most factories is too often antiquated, but with such an immense domestic market—made up of increas-ingly fashion and qualitybe a matter of time before provinces like Hubel emerge as major forces in the world's textile and garment sectors. It is sobering to discover that

there are eight provinces in China that produce more textiles than Hubei.

David Dodwell



Ramie, the Chinese nettle plant fibre, being processed at a textile factory in Huangshi

Business Guide

WUHAN IS actually three cities which straddle the confluence of the Han and Yangtze

officials, based in Hankou. Hanyang on the south bank

bank of the Han River (its name literally means "the sunny side of the Han"), is linked to Wuchang by the road and rail bridge that makes Wuhan a critically important communica-tions centre between North and tions centre between North and South China, Hanyang is the least important of Wuhan's three cities, but will often be crossed on journeys between Wuchang and Hankou. Hankou, which means "mouth of the Han" is on the north

of the Han," is on the north bank of the Han River. After the second opium war, Peking was forced to open Hankou up to the imperial powers as a to the imperial powers as a treaty port. Today, Yenzhang Street is still called Hankou's "Bund." Hankou is the most modern part of the city, where you will find most of Wuhan's hotels, businesses, shopping districts and restaurants.

in Business takes you from Wuhan to major Yangtze cities in Hubei like Yichang, Shashi or Huangshi. A modern textile or Huangshi.

More often than not, a sponsoring organisation will make hotel arrangements for you. There are no hotels built to western standards in Wuhan, but if this is taken for granted then they are comfortable and clean by Chinese standards. Power failures are rare, sheets are changed daily, hot tap water appears reliable and international telephone calls can be arranged comparatively swiftly. One should not assume that tap One should not assume that tap water is drinkable in Wuhan— drink the bolled water supplied in every room instead. Among the main hotels are:

Qingchuan Hotel: Modern, or with a wonderful view of the city. Poorly placed for meetings in Hankou. Serves mediocre food, excellent coffee and ice-cream. Tel: 444381.

Shengli Hotel: Built by the company of the

Shengli Hotel: Built by the British in the 1930s. Much more the number two motor vehicle centrally placed. Amenities simple, but service good. Rooms spacious. Restaurant serves growing rapidly as the motor quite good Chinese food, and a vehicle plant continues to expense proportion of staff speak large proportion of staff speak English. Tel: 22531, Other hotels open to

foreigners: Jianghan Hotel Shengli Street, Xuangong Hotel on Jianghan Road.

Rivers about 1,000 km.

from Shanghai. Wuchang, which
means "prosperous military"
sits on the east bank of the
Yangtze, and is today Wuhan's
cultural and academic heart.
It is the base for most of the
city's universities and colleges,
and at the same time is home
for Hubel's provincial governfor Hubel's provincial governbao"). Excellent banqueting
facilities on the third floor.
Stylish waitresses, many speak-

Street. Wufangzhai: Simpler, often sitting out on the pavement. Specialities include dumplings in soup ("Tangbao"). Also on Zhongshan Street.

Xiaotaoyuan: Walking distance from Wufangzhai. Specialises in roast meats and chicken soup (" Jitang ").

TRANSPORT IN WUHAN Don't expect fleets of taxis waiting at the hotel door. Receptionists will book taxis. There are some taxis that cruise the streets, and there are a number of taxi stations around Hankou, but if you don't speak Chinese it may be simpler to accept the cost of keeping a taxi with you between meetings. Traffic congestion can be heavy, so one should assume it will take 30 minutes to get from Hankou over the bridge into Wuchang.

By air, CAAC operates daily flights from Peking and Canton, with regular air links with Shanghai and other provincial cities in Central China. Efforts are being made to open un direct flights here.

cities in Central China. Efforts are being made to open up direct flights between Hong Kong and Wuhan, but nothing seems likely to materialise before 1987.

If you have a more leisurely itinerary, it is possible to travel from Hong Kong to Wuhan by train—a journey of about a day. The rail link to Peking takes about the same time.

Regular ferries ply the about the same time.

Regular ferries ply the storms can bring the temperature down to a more comfort-scenic three gorges to Chongrangise kiver, west inrough the scenic three gorges to Chongqing and east to Nanjing and Shanghai. Many of these ferries are overnight, and quite comfortable, so they can provide an interesting and efficient alter native to inter-city travel by air.

This is all the more comfortable as all the most sensible. In winter, temperatures occasionally drop close to freezing, so you can safely wear whatever you would normally whatever you would normally wear at the office at home.

Shashi: A modern textile city

Wuhan. Best hotels: Zhanghua WHERE TO STAY IN WUHAN on Zhongshan Road and Jiang-in on Gongyuan Road. yichang: A substantial indus-soring organization will make

Hotel (Tel: 23438). Nanhu Hotel (Tel: 24033). Also Yiling and Taohualing Hotels.
Huangshi: The centre of Hubei's mining industries, three hours east of Wuhan by road. Important for iron and steel, copper and a wide range of mineral extraction and textile industries. Uncharismatic city with tries. Uncharismatic city with no good hotel. Get sponsoring

organisation to arrange.
Shiyan: In Hubei's far north
west, the city is dominated by
the number two motor vehicle
plant, one of the largest in
China, Nearby, Kiangfan city is

David Dodwell

Hubei Cereals, Oils & **Foodstuffs**

Hubei Branch of China National Cereals, Oils & Foodstuffs I/E Corp. is a specialized corporation handling the foreign trade of cereals, oils and foodstuffs in Hubei. We have developed our foreign trade business for more than 30 years and have now established trade relations with over 50 countries and regions in the world.

We can offer the following quality export commodities: rice, beans, oil products, grease, fruits, dried fruits, vegetables, live poultry and livestock, fresh eggs and egg products, aquatic products, various kinds of canned goods, confection, biscuits, wines and spirits and condiment, etc.

We welcome business talks with traders from all over the world.

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China National Cereals, Oils & Foodstuffs I/E Corp., Hubei Branch Phone: 21353

China National Machinery & Equipment I/E Corp., Hubei Branch (Business Introduction)



Tel: 875261, 875262, 875263, 876661, 874900

China National Machinery and Equipment I/E Corp., Hubei Branch (CMEC), a complex of industry and commerce, has trade relations with more than 100 complex of industry and commerce, has trade countries and regions involving over 200 clients.

CMEC Hubel Branch deals in products produced by 420 factories and plants. At the same time, CMEC Hubel Branch handles importing technology and equipment and offers service for technical reformation in these factories.

- Metal-cutting machine tools, forging and pressing equipment, casting machinery, carpenter tools measuring and cutting tools, abrasives, grinding tools, bench unling machines, grinders and attachments to machine tools.
- Mining equipment, metallurgical equipment, steel rolling equipment, lorging and pressing equipment, hoisting equipment, transportation equipment, cement equipment, construction equipment, heavy excavation equipment. coking equipment, containers, vanous longings and castings, water
- Various motors (including 3 phase AC electric motors, DC electric motors fractional horse-power motors, generators, etc.) electric locomotives for mines transformers, power capacitors, rectifiers, lightning arrester, high and low voltage porcellan insulators, line fittings, fright and low voltage switches, switchgear box, storage batteries, cables and wires, electric weighing machines, welding electrodes, insulating materials, electrical alloy, carbon products, special equipment for manufacturing electrical products, power tools, fans, domestic electrical appliances, boilers, electric lumaces, and other electrical products, etc.
- Electrical measuring instruments and meters, automation instruments, analytical instruments, carematographic machinery, camera and supplies, laboratory instruments and apparatus, material testing machines, oceanographic and meteorological instruments, dynamic balancing machines, non-destructive flaw detector, instrument components and materials, waterour meter, water meter, vanous microscopes, and other special
- Refrigerating machinery, various valves and flanges, various pumps, vacuur equipment, blowers, printing machinery, packing machinery, pastics machinery, gas compressors, oil lield equipment, petrochemical machinery and equipment, compressed air and liquid steel cylinders, environment

- Various types of rolling bearings and component parts, balls, hydraulic components, fluid couplings, springs, pneumaiic components, seal components, screw tasteners, power metallurgical powder products.
- 7. Various types of averalt-bearings, conductors, carbon products, fittings and
- 8. Export of various complete equipment and plants in the fields of electrical er generaling station, electrical trans power generating season, electrical remission lines, and substations beans for making sugar, acid, alkair, chemical fertilizer and other periodherical products, land and offshore oil dislining facilities, air-conditioning system, at kinds of cold storages, stations of oxygen, hydrogen and nitrogen cement mill, complete sets of maning and heavy equipment for continuous casting sale initing, sprall webbe pipe, etc.), various kinds of plants for manufacturing of machinery and electrical devices and special-purpose machining lines it can ofter a wide range of services for all types and capacities of complete equipment, according to the requirements of the users, from surveying, designing, civil construction as well as manufacturing, delivery, installation, tosting and commissioning of the equipment to the tu

- 1. Technology trade business such as acquisition of technology, technical export, technical consultation and technical service.
- 2. Import of various kinds of mechanical, electrical and instrumental products and complete sets of machinery and equipment.
- 4. Equity joint venture, contract joint venture.
- 5. Various kinds of compensation trade and barter.
- 6. Processing with supplied drawings, samples and materials, assembly with supplied parts and components
- 7. Joint design, joint tender
- 8. Intellectual and labour service

fectionery and soft drinks group which recently added Canada Dry and Dr Pepper to its brand names, yesterday an-nounced that its profits for the 24 weeks to June 14 had risen to £43.1m pre-tax, an improve-ment of 28 per cent over last

Market analysts had been looking for profits in the region

The directors, headed by Sir Adrian Cadbury, the chairman said satisfactory trading results around the world and significant strategic developments had been the highlights of the group's progress this year.
They added that following the acquisition of Canada Dry and the investment in Dr Pepper, Cadbury Schweppes had achieved one of its key

objectives — international leadership in the non-cola carbonated soft drinks market.
In a statement following the interim results Sir Adrian said: "We are looking at a very different company than the one which produced the last set of half way figures."

Mr Dominic Cadbury, chief executive, said the group had "expanded in areas of strength and divested itself of businesses which strategically held no

The directors were confident that the progress made in the first six months would be continued throughout the year. Group sales for the opening 24 weeks declined from £847.2m to £787.3m. Trading profits



Sir Adrian Cadbury, the chairen of Cadbury Schweppes.

improved by £4.3m to £48.7m and trading margins rose from 5.2 per cent to 6.2 per cent. Interest payable less invest-ment income was reduced from £14.5m to £8.7m.

interim dividend is being lifted from 1.6p to 1.8p net per 25p Comparisons with 1985 were interest charges affected by acquisitions, dis-posals and exchange move tion of Canada reduced pre-tax profits by some rates) doubled the size of the

The results excluded the health and hygiene division, now sold, but included the UK beverages and foods figures up to May when that division was

Trading profits earned in the UK were up from £23.7m to £25m and both Cadbury Ltd and Schweppes Ltd raised their trading margins. Trading profits in the rest of Europe were 31 per cent ahead of last year, with notably good results from Schweppes in Spain.

The North American businesses responded well to the changes introduced over the past year. Interim profits were in line with plan. Sir Adrian expected the full year to reflect share gains being achieved by more effective consumer mar-

unancial position and been petition and for the six months strengthened by the sale of two UK divisions for £114m and by a lower level of capital expenditure. This, combined with lower laterest rates and the weaker dollar, was reflected in reduced petition and for the six months pre-tax profits fell from R2.81m

I. See Lex

Sir Adrian said the acquisiand exchange move tion of Canada Dry at a net the sum of which cost of \$140m (£93m at current tion of Canada Dry at a net group's international soft drinks

He added that the acquisition for \$17.5m (£11.7m) of a 30 per cent share in Dr Pepper gave Cadbury Schweppes a strategic stake in a unique brand with significant market share strength in the south west and south east United States and in the more rapidly growing chanels of soft drinks distribution, such as vending and fast food.

Sales and trading profits by geographical region for the half year show: UK £351.9m (£421.1m) and £25m (£23.7m). Europe £131.9m (£111.2m) and 7.6m (£5.8m), North America 148.9m (£157.5m) and £0.8m (loss £1.8m), Australia £109.8m (£108.2m) and £11.7m (£11.2m) and other overseas £45m (£49.2m) and £3.6m (£5.5m).
Group pre-tax profits for the 1985 year fell from £124m to 293.3m. Losses in North America and a stronger pound

After tax of £15.5m (£13.4m) and minorities, profits worked through at £24.3m, compared up its growth record and was with a previous £17.1m.

There were extraordinary credits this time of £23m, made credits this time of £23m, made up as to £25m profit from Succeeding the New Subsidiary, suffered poor consumed in May.

Zealand business which it subsidiary, suffered poor consumed in May.

Bunzl goes on takeover trail with £191m call

Bunzi, has announced plans to raise fil91m after expenses through a one-for-three rights issue priced at 195p, a 40p discount to Wednesday's clos-

The rapidly growing packaging, paper merchanting, and transport services group has also reported interim pre-tax profits 43 per cent ahead at £27.1m. Last night the shares closed down 12p at 222p.

Since February 1985, when Bunzl raised 255m for its takeover warchest, the group has acquired 24 companies at a total cost of £221m, of which just over half was met by the issue of shares. Pre-tax profits have increased over the last five years from £11.6m to £42.7m in 1985.

Mr James White, managing director, said yesterday that Banzi was very much still on the takeover trail and there were additions that could be made to each of the main divisions of the group." However, "We have no intention of using the proceeds of this issue in one big blast," said Mr White.

The only large takeover attempted by Bunzi was its unsuccessful £135m bid for Brammer in June 1985, This was also the only contested bid among the 25 firm spproaches made in the last 18 menths. Speculation that Bunzl might try again for electronic and mechanical components distributer Brammer was "unfounded," re-torted Mr White.

As a result of the rapid rate of making acquisitions, Bunzi is presently some 80 per cent geared with net debts of \$100m. According to Mr White mach of this debt is now in medium-term US dollar loans at interest rates as low as "6 or 7 per

"It is therefore not our intention to use much of the rights proceeds to retire debt," said Mr White. With dent," said mr white. With 58 per cent of profits UK based, Bund is very keen to expand in the US—especially to complete its coast to exist distribution network in the

Western States.

In the six months to June,
Bund made pre-tax profits of
£27.1im (£19.62m) on a turnover of £470m (£406m). After taxes and minorities profits attributable to sharel were £15.87m (£5.95m) and earnings per share 5.4p against 4.5p (adjusted for the scrip issue). An interim dividend of 1.75p (1.42p) is

In a letter to shareholders, Bunzl has said that 1986 is dividend of not less than 2.25p a share, making at least 4p for the year compared with 2.44p in 1985. The rights, which has been underwritten by S. G. Warburg, involves the issue of 161.2m shares.

Babcock International in the first half of 1986, with pre-tax profits up by nearly flm to £16.03m, despite substantially higher interest charges partly as a result of financing acquisi-Share Price relative to T-A All-Share Index 100 Lord King, chairman, pointed out that there would be no repeat this year of the suspension of pension fund contributions which added £6m to profits in 1985 The general inmprove-ment in profitability, however, would compensate for that difference and the directors ex-pected continued progress in

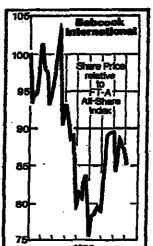
the second half.

Turnover rose 5.6 per cent, from £541m to £571.8m, while the increase in pre-tax profit was 8.6 per cent. Measured in terms of constant exchange rates for the forcing grants. for the foreign currency ele-ments both items were some 15 per cent up on 1985. Similarly measured, the trad-

ing profit showed an advance of 45 per cent, although the actual increase was 29 per cent to £18.4m, after charging £2.3m (£1.7m) for redundancy costs were £5.05m reorganisation

The improvement in trading profit, said Lord King, was fairly general throughout the group and represented a return for the concentrated and coninuing efforts to cut costs and Despite the need for further rationalisation of the UK power group, because of the lack of orders for steam generating plant, the profits of that section were marginally better than in

Progress was sustained in the



Babcock up £1m despite

was higher than last time and profitability generally improved. The North American group re-mained the major sources of profit and, even after the adverse exchange rate movement, it again substantially in-creased its contribution.

In the contracting group, losses suffered by Babcock Moxey on contracts for the installation of newly developed equipment were more than off-set by relatively better results in Babcock Woodall-Duckham, Ames Crosta Babcock and Spagne Babcock

The mining equipment businesses and, in particular, Huwood remained the weakest area of the group's UK activities but considerable progress had been made towards eliminating losses in those operations by the end of the year. Turnover and trading profits

high interest charges of the North American group, measured in dollar terms, increased almost 18 per cent and 30 per cent respectively. This reflected the inclusion of a full 6 months' trading results for the Faultless Caster Cor-poration sequired on May 31 and a high work load at better margins in the systems division of the material handling group. The process control group continued to operate profitably. The products division of the material handling group should also move into profit again before the end of the year. Weakening markets for chain and forged products forced the North American chain business into loss. Profitability in automotive components was under pressure, despite an increase in sales, reflecting the introduc-

tion by auto manufacturers of more stringent conditions. Sales and profits of decorative hardware improved as demand for furniture responded to the increase in new housing

starts in the US. FATA European Group and the Froude companies have also been booked new orders of high value and had good profitable workloads to carry them through

this year.
In the half year the associates contributed £2,55m (£2,1m). After tax £5.9m (£5.8m) and minorities £114,000 (£75,000) earnings came out to 7.5p (6.8p) per share. The net interm dividend is in effect lifted from

The Rainbow Corporation of New Zealand, which had recently built up a 4.5 per cent stake in Babcock—at a cost of about £12.5m—is insisting that the stake is a long term invest-

See Lex

High demand pushes up R & H Hall

R & H Hall, the Cork-based grain merchant, had an excep-tional half year and was looking over 1986 as a whole.

In the half year turnover rose from IE69.3m to IE94.4m (sterling £86m) and pre-tax profit from IE1.03m to IE1.67m (sterling £1.52m). There was a considerable

increase in the requirements for imported cererials and proteins by the compound feeding stuffs industry, and Hall maintained its market share of that large amount of business as sed by the 36 per cent

lift in turnover. However, the volume increase was nearer to 50 per cent, the plan directors claim, reflecting some reduction in commodity prices.
Since the turn of the half year
the company had traded well with a somewhat higher volume

In the first half trading profit came to £1.27m (£502,000) and associates £400,000 (£523,000). After tax £910,000 (£560.00) and minorities £48.000 (£3,000) earnings were 4.33p (2.84m). The interim dividend is again 1p net.

Petranol profits tumble midway

gas operating company which has most of its production in the US, has announced profits after tax of £6,148 for the six nonths to June, 1986 — sharply down on the previous £2.31m. Dr Norman White, chairman, said that the result was "satis-factory given the lower oil and gas prices and adverse exchange rate movements."

Petranol has also arranged for the rescheduling of its £11m bank debt into a six-year loan on which interest only needs to be paid until 1988. "This will remove considerable uncertainties about the company's ability to survive at low prices and enables management to plan for future long-term growth with greater certainty."

The chairman stressed that cided to pass the interim divi-dend. "The payment of any cided to pass the interim dividend. "The payment of any
final dividend is dependent
upon a further oil price recovery," said Dr White in a
statement. Last year Petranol
paid a total dividend of 1.5p.
The company came to the marHowever, an exceptional item

cash. Given the
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priced at 125p a share.

the average price per barrel on Petranol's 909,500 barrels a day oil production, up 58 per cent, was \$16.86 compared with \$27 in • comment the previus year. Gas prices were down less sharply, by 29 per cent to \$2.8 per 1m cubic feet, but sales volumes were marginally lower at 2.7m cubic feet per day.

Turnover for the period was £3.15m, down from £4.46m in the previous opening half. Profits after operating costs, production taxes and depletions and depreciation were £1.83m (£1.94m). Since the sharp fall in oil

prices earlier this year, Petranol has been reducing overheads and has moved its London head office from the city centre to the Petranol had acted vigorously suburbs. Although administrato prune costs but said that tive costs actually rose in the nevertheless the board has deperiod to £833,687 (£849,244) cided to pass the interim divincluded was a once off £150,000

profits were narrowly over the dilution. This year £200,000 net break even mark at £94,000. is possible at \$15 average for

Petranol, the small UK oil and ket in 1984 via an offer for sale of £87,900-being the costs of riced at 125p a share. defending the company from During the six months to June Inoco's hostile £21m bid in May

US oil and gas prices have held a bit firmer than those in the North Sea and Petranol has mainly this to thank for being on the right side of breaking even this time. As overhead costs per barrel have been re-duced to \$8.25 at the US subsidiary the company's ability to survive seems beyond doubt. This has been underlined by the decision of the group's bankers (Bank of Montreal, Royal Bank of Scotland and First State Bank of Texas) to choose rescheduling rather than allow the prospect of fore-closure. Acquisitions are likely to be in North America and under the circumstances would have to be for paper rather than cash. Given the likelihood of an earnings dearth for some time to come at least there won't be any arguments about dilution. This year £200,000 net

Linread slightly ahead of forecast with £0.35m

Liuread, manufacturer of cold forged fasteners, increased its tax profits by just £6,000 to £351,000 in the first six months of 1986. At the AGM the directors warned that the half The group entered the second six months with an overall order book slightly better than at the beginning of the year. In the light of the first half

performance and the continuing progress being made the interim dividend is being held at 1p net per 25p share. Subject lp net per 25p share. Subject to no major change in the out-look, a final at least equal to last year's 1.5p would be paid.
Improved profits reflected a continued strong market for aerospace fasteners and further expansion of the aircraft products division.

The markets in which the group's other divisions operate were more difficult—both the its market share, the commer- period last year,

cial products division's perform ance slipped back. Action had continued to sharpen the selling effort and trim overhead costs. This was accompanied by the appoint-

ment of a new menaging director in July. Weak market conditions affected Lintite Systems, where sales were some 5 per cent lower than in the first half of last year. Profit levels, however, remained satisfactory.

Lintool achieved the same level of profit as last year despite experiencing lower demand for its tooling. The directors said the management structure of the division had been reorganised and improved control systems implemented which abould lead to increased business in the future.

The benefits of the strengthautomotive and domestic appli-ance sectors showed declines. As a result, and despite improving significantly ahead of the same e saies activit

Profits halved to £0.53m at IFICO

Industrial Finance and Infinancial services currently undergoing reorganisation has reported pre-tax profits halved from £1.05m to £528,000 for the year ended June 30 1986. And the dividend is cut from 3.5p to 1.50 with a reduced final payment of 0.5p against 2.5p.
Mr Terry Ramsden's group
Glen International recently took a 10.83 per cent holding in IFICO, "purely as an invest-

ment."
The group's purchase of FMW. a commercial insurance broker, for an initial £4.25m in shares, would be placed with APA, an Australian life assurand financial services

APA would have 40.7 per cent of IFICO following the FMW purchase which could rice to a maximum of 50.6 per cent depending on how many of IFICO's proposed rights issue shares it was called upon to

take up

IFICO plans to raise about
£2m by a one-for-five rights underwritten by APA. IFICO is to issue 2.78m shares at 75p After tax of £230,000 (£389,000) earnings per share are given as 3.7p (14.7p). Minority interests accounted for £2,000 (£5,000) and there were extraordinary debits of £1.41m The company paid an interim of 2.7p net last year and a final (nil) which included a £1.65m provision against remaining investments of East of Scotland Onshore. of 5.4p from pre-tax profits of £1.44m (£1.43m).

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VALUE OF T&N OFFER:

AE SHARE PRICE:

AE SHARE PRICE BEFORE OFFER: 182p

FINAL CLOSING DATE OF OFFER: Friday, 12th September, 1986

Value of offer is based on share price of Turner & Newall at 3.30pm on 4th September, 1986. AE share price and AE share price before offer are prices at 3.30pm on 4th September, 1986 and on 19th June, 1986 respectively. Turner & Newall reserves the right to extend the offer to a later date or dates if a competitive situation arises. if the offer has been declared unconditional as to acceptances on or by 12th September, 1986, the part share, part cash offer will remain open for not less than fourteen days thereafter.

Derek Bryant well down

N.A.V. at 29.8.86 US\$34.34 VIKING RESOURCES INTERNATIONAL

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Sales

Estimated Taxation

Profit after Taxation

THE FIRST six months of 1986 view to acquiring two well-proved disappointing for the established and high quality Derek Bryaut Group, USM Lloyd's insurance broker, and sound base to build upon. the directors said yesterday that they felt it prudent to defer payment of an interim dividend until the extent of the expected improvement in the second half was known.

Pre-tax profits for the opening half fell from £726,000 to £96,000. Brokerage dropped by £471,000 to £1.48m.

The directors still intend to broaden the base of the com-

pany's operations and diminish dependence on any one account or sector of the business.

They said they were particularly anxious to increase its representation in this country and active preliminary discus-sions were taking place with a

783

1,521

2.07p

1,806

3,498

Holdings p.i.c. Clothing Manufacturers

INTERIM STATEMENT (unaudited) 26 weeks 52 weeks ended 18th July 19th July 17th Jan. 1985 1986 £'000's £'0000's £'0000's 30,052 25.043 57,569 Profit before Taxation 2,673 2,304 5,304

909

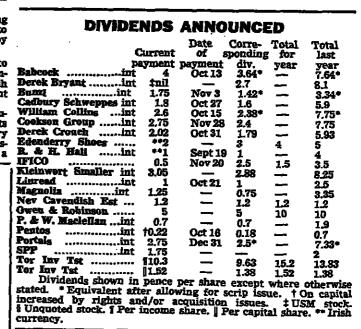
1,764

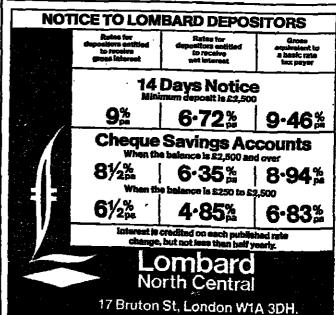
Earnings per Ordinary Share 2.32p Trading conditions during the half year were difficult due to one of the coldest and wettest Springs in living memory and I am therefore, pleased to report that we have increased our sales by 20% and our profits before tax by 16% compared with the first half of 1985. Net interest received shows a small increase on the previous year.

The Directors have declared an Interim Dividend to be paid on the 21st November 1986 of 0.26p per Share, which after adjusting for the scrip issue in June 1988, compares with 0.23p per Share.

Forward orders are well ahead of last year but the pressure on profit margins is likely to continue. However, our stated policy of investment. in advanced machinery and design is succeeding and the production of quality merchandise at keen values is, and will remain, the corner stone of our business. We are committed to both organic expansion and expansion through acquisition. I am confident that the full year will see a continuation of our pattern of growth.

> Alistair J. Dewhirst Chairman





UK COMPANY NEWS

Sound Diffusion £1.35m ahead after six months

In their interim report yester-day the directors said new business intake was continuing at a satisfactory level.

The first six months (to June 30 1986) saw turnover edge ahead from an adjusted £19.11m to £19.47m and profits improved from £2.68m to £4.03m.

Last July, along with the group's preliminary results for the 1985 year, Mr Paul Stonor, Sound Diffusion's chairman, said

comment

Sound Diffusion, an electrical equipment leasing company, 1985 year from pre-tax, profits of £5.83m (£4.73m).

Last July, along with the group's preliminary results for the experience may have led to the decision to keep the statement accompanying these figures from the 1985 year Mr Paul Stonor it gives of Sound Diffusion's the 1985 year Mr Paul Stonor it gives of Sound Diffusion's preliminary results for the statement accompanying these figures of Sound Diffusion's the 1985 year Mr Paul Stonor it gives of Sound Diffusion's preliminary results for the experience may have led to the decision to keep the statement accompanying these figures of the statement accompanying the statement Last July, along with the group's preliminary results for the 1985 year, Mr Paul Stonor, Sound Diffusion's chairman, said that trading in 1986 was progressing well and that the directors were hoping to report full year profits in the region year, the pre-tax total stood at 6£10m on the new accounting basis.

Getision to keep the statement accompanying these figures down to 42 words. The glimpse it gives of Sound Diffusion's performance suggests that the company is standing still. Before the write-offs and provisions ordered by the auditors last full year profits in the region year, the pre-tax total stood at the could be suggested by the suditors last the pre-tax total stood at the pre-t

very much in line with, it could even be somewhat lower, than that of the same period last year from £2.68m to £4.08m.

Earnings worked through at be catching up with itself—a

2.89p, up from 1.93p, per 5p long delayed set of full year share. As in previous years figures has been followed by a there is no interim dividend—a far more prompt delivery of the

Wm Collins expands by 8%

After tax £1.67m (same) earnings came out at 10p (8.9p) and the interim dividend is stepped up to 2.6p net (2.375p

reported.

Sales came to £62.95m against £55.28m, but excluding acquisition and currency adjustments the percentage rise was 11.5. The profit was £5.12m, compared with £4.73m.

Mr Chapman said the group had done well to lift sales in the UK, helped by contributions from Claude Gill and Hunkydory Designs which were acquired in January. He thought Australia had performed particularly well in spite of the continued weakness of its economy.

Difficult market conditions in Wililam Collins, like almost every other book publisher has had a lack-lustre first half. Sales

will JAM COLLINS, the book publisher, increased its sales by 13.9 per cent and its pre-tax profit by 8 per cent in the first half of 1986. Conditions were difficult in the UK, Mr Ian Chapman, the chairman, reported.

figures, but he remained confident advance would be achieved. In 1985, the group made £13m pre-tax.

Operating profit for the first half moved up from £5.73m to follow mustered respectable growth, helped, no doubt, by its recent investment in improving Operating profit for the first half moved up from 25.73m to \$26.29m, but was subject to interest charges of \$1.55m production efficiency. The comgrowth helped, no doubt, by its recent investment in improving production efficiency. The company claims to have seen a discernible improvement in demand in the opening months to its Mills and Boon order, production will flow at full capacity for the rest of the year. The problems in Australia, which have plagued the company for the last two years, have finally been resolved and Collins is now taking its first

of books to consumers have been as strong as ever. But the problem of retail over-stocking last Christmas—prompting a prospect for the full year, the Difficult market conditions in refusal to restock in the early prospective p/e of 10, on yester-the UK and weakness of the part of the year—has been day's non-voting share price of Australian currency would compounded by the dawn of 303p, is at a discount to the have some impact on the year's computerisation in the book sector. Undeservedly so.

Hanson Trust in Courage shake-up

Hanson Trust, which this acquire," said Mr Taylor, year successfully bid £2.8bn for Market analysts have been imperial Group, is ruthlessly watching closely to see if Elders Imperial Group, is ruthlessly cutting costs at Imperial's brewing subsidiary, Courage, in a of its earlier target, Allied-move which analysts interpret Lyons. On Wednesday, Elders as preparing Courage for sale.

According to one stock market Monopolies Commission to analyst who has regular deal-renew its bid for Allied. An ings with Courage, Hanson has earlier £1.8bn bid lapsed during the Monopolies Commission to commission to the Monopolies Commission to commission the Monopolies Commission to commission to commission the Monopolies Commission to commission the Monopolies Commission to commission the Monopolies Commission to commission to commission to commission the contract that the Monopolies Commission to commission the contract that the contract the co ings with Courage, Hanson has chopped whole layers of middle management in areas such as marketing, tax and public rela-

Hanson refused to comment Hanson refused to comment Hiram Walker Resources' liquor on market speculation about an business. Olympia, which conimminent sale. Two buyers trois Gulf Canada, owners of said to be interested are Elders Hiram Walker, has been fight-ing for control of Hiram's liquor and the big US brewer. Anheuser Busch, which makes courts.

Mr Martin Taylor, a Hanson director, also declined to cona price of around £1.3bn. Lord Hanson, chairman, has, how-ever, conceded publicly that he might sell Courage if he could

will move for Courage instead the Monopolies investigation.

marketing, tax and public relations. The analyst estimated that at least 50 senior Courage whether Allied can reach an managers had left since it assumed control of Imperial in York, the Canadian real estate company, on the disposal of Hiram Walker Resources' liquor

Allied is confident that it can strike a deal with Olympia shortly whereby it would buy a majority stake in Hiram for around £600m. A deal could be signed today, though the two sides were still negotiating in Canada yesterday.

Mr John Elliott, Elders chairman, said on Wednesday that he would not be deterred from bidding for Allied if it bought Hiram. His intention would be

Hiram. His intention would be to sell the liquor division back to Olympia.

Top Hiram officials resign, Page 25

COMPANY NEWS IN BRIEF

but pre-tax profit fell to £188,000 but pre-tax profit fell to £188,000 (£258,000) in half year ended June 30 1986. Earnings 2p (2.4p) and interim dividend again 0.7p. Computer systems trading profit down to £3,000 (£64,000) as division incurred considerable extra costs with move to Croxley. Agricultural and industrial supplies profit £189,000 (£171,000) and property £75,000 (£85,000)—but major sale should improve latter in second half. latter in second half.

LADBROKE GROUP - Sir Kenneth Cork, a non-executive director, has sold 432,000 ordinary shares out of his non-beneficial interest. The beneficial interest. The beneficial owners of the shares are members of the Mark Stein Trust — mainly descendants of the founder of Ladbroke. The Trust continues to hold about 3m shares in the company.

GROVEBELL Group, the fastgrowing trade finance, motor dealing and medical equipment company, has had its listing temporarily suspended "pendposition." It recently announced a 39 per cent drop in pre-tax profit for 1985.

EVERED Holdings, the manu facturing conglomerate which recently sold its stake in the TI recently sold its stake in the TI Group for a profit of £8m, has announced the acquisition of the rubber business of Lucas Electrical for £650,000 in cash. NEW CAVENDISH Estates is holding its dividend at 1.2p net for the year ended June 30 1986. Turnover rose to £1.74m (£860,000) and profit £184,000 (£99,000). Tax takes £44,000 (£9,000) and extraordinary debit £188,000 (credit £263,000). Earnings 2,12p (2,59p).

TALBEX GROUP has changed contracts for the dis posal of Castle Rubber, a wholly owned subsidiary engaged in the manufacture of rubber the maintacture of rubber mouldings, primarily for the automotive industry. Assets of Castle Rubber at July 31 1986 were £2,000 and its trading loss for the year to end July £10,297 Consideration is £1 and the repayment of £181,880 of intragroup debt.

EDENDERRY SHOES, invest ment holding company, improved pre-tax profits to I£142,286 (£129,587) for the year

P & W. MACLELLAN lifted to June 1986, against I£140,684 turnover to £5.84m (£5.36m) on turnover of £4.34m (£3.69m)

After tax of £49,993 (£46,479) earnings per share emerged down from 3.14p to 3.08p. The final dividend is cut to 2p (3p) for a lower 4p (5p) total.

MANAGEMENT

PROVEN IN THE MARKET

Charge

Sales

Trading Profit

Profit before Tax

Earnings per Share

Dividends per Share

This advertisement is issued in compliance with the requirements of the Council of The Stock Exchange



RUSH & TOMPKINS GROUP PLC

(Incorporated in England under the Companies Act 1948, Registered No. 841177)

Rights issue of 8,531,926 7.5 per cent. Convertible Cumulative Redeemable Preference shares of £1 each

payable in full on acceptance not later than 3.00 p.m. 25th September, 1986

The Council of The Stock Exchange has admitted

Particulars of the Convertible Preference shares are available in the new issue cards circulated by Extel Statistical Services and copies of the Listing Particulars may be obtained during normal business hours on any weekday (excluding Saturdays and public holidays) up to and including 19th September, 1986 from:

> Rush & Tompkins Group pic Registered Office 14 Park Street London W1Y 4AL

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Phillips & Drew

2 Swan Lane London EC4R 3TS Hill Samuel Registrars Limited

Cathury Schweppes MANAGEMENT PROVEN IN THE MARKET PLACE. Cathury Schweppes

Interim Results: 24 Weeks ended 14th June 1986.

1986

787.3

48.7

4.68p

1.80p

Half Year

120 Moorgate London EC2M 6XP

London SW1P 1PL

and until 9th September, 1986 for collection from: The Company Announcements Office The Stock Exchange London EC2P 2BT

Half Year

1985

44.4

33.8

3.39p

£m % Change

1.60p +12.5%

-7.1%

+9.7%

+27.5%

+38.1%

5th September, 1986

SPP buys **Henry Sykes** for £4.2m

By David Goodhart

Chapman, reported.

whits halve

iFICO

UNCED

SPP. pump manufacturer, yesterday unveiled slightly reduced interim pre-tax profits for 1986 but also announced the proposed acquisition of Henry Sykes, a market leader in the hire of specialist packaged pumps, for £4.2m.

SPP said that the oil price fall continued to have an adverse eect on its oil-related activities and had led to an underutilisation of the manu-facturing facilities in Reading. The acquisition of Sykes will.

will enable it to rationalise its manufacturing and eliminate underutilisation. For the half year to June 28

1986 SPP's turnover rose from £14.3m to £17.7m over the same period in 1985, however pre-tax profits slipped from £1.2m in 1985 to £1.14m this year. Earn-ing per share fell from 4.5p to 4.6p.

Alco Standard, the vendors of Sykes, will receive 3.5m new shares in SPP—which will represent just over 18 per cent of the new enlarged share capital. Most of the shares will handless the shares will Sykes, which operates from 31

depots throughout the UK and serves about 2,000 customers achieved pre-tax profits of £144,000 on turnover of £21.79m in the year ending September 29 1985. Despite redundancies rationalisation over the past few years its manufacturing plant at Coleford continues to be under-used.

Following completion of the acquisition SPP proposes to relocate its manufacturing away from Reading and sell its 82 acre freehold site there. SPP shares were 137p unchanged.

GRA changes its tactics for Slough redevelopment BY WILLIAM COCHRANE

GRA Group, the greyhound comment on the situation last racing organiser which said in night.

June that it was still seeking planning permission for proposed developments of stadia at Harringay, Slough, White City, Manchester, Northaw and Snowfield, said yesterday that of Slough Stadium for greyithe Slough development.

The comment on the situation last night.

GRA said that if planning consent for the proposed redevelopment can be obtained, the board consider that the retention of Slough Stadium for greying specified, it would be the intention of the SIA directors to invest the

the Slough development,

The company said that it had entered into a conditional agreement with the Co-operative Wholesale Society and a conditional deed with Crownco Properties, the CWS property arm, for the sale of the land and buildings at Slough Stadium The acquisition or system with and buildings at stough scored to SPP, reduce its exposure to oil economies and for a total consideration of exposure to oil economies and for a total consideration of Elism.

27.5m. In April, 1985, GRA announced the sale of the Slough stadium to Dee Corporation, the fast growing supermarket group, for £11m. The deal was conditional on planning consent being given for the development of a superstore

Yesterday GRA, which has its

Yesteroay GRA, which has its offices at Slough, said that it had been advised that by the substitution of CWS for Deson the existing applications, the company would have a significantly better chance of success in the immediate future. Mr Alec Monk, Dee Corporation's chairman and chief Caspary will join the Bryson executive was not available for board.

expanding rood and inhalling manufacturer, is buying a 51 per cent majority stake in Inghams Stockfeeders, animal feed manu-facturer, in a cash and shares deal worth \$408,000.

It would be the intention of the GRA directors to invest the greater part of the proceeds in the group's existing business, they said, particularly in the modernisation and improvement of the remaining stadia, and in

leisure activities at those stadia and elsewhere. Bryson cash injection

Bryson Oil and Gas, the com pany engaged in oil and gas exploration in the US, is reexploration in the U.S. is re-ceiving an injection of cash through a private subscription of more than 2m shares which will bring in a total of £840,000. Bryson has agreed the issue of 1.1m new ordinary 10p shares at the price of 40p each to Mr Delo H. Caspary and the issue of a further 1m new shares at the same time to Charterho Investment Management.

Hillsdown buys animal feeds

Hillsdown Holdings, the fast-expanding food and furnishing Inghams net asset value last Inghams net asset value last April was £447,747.

The deal is Hillsdown's third in the last nine days. Last week it announced an agreed £62m The remaining 49 per cent of Inghams will be bought in equal and two days ago reported a tranches over five years based on a payment of three times pre- tax profits to £19.6m.

Sasbury Schweppes

- Canada Dry World-wide rights acquired for \$140m (£93m).
- Dr. Pepper \$17.5m (£12m) invested for 30% share.
- These two key investments give Cadbury Schweppes international leadership in the non-cola carbonated soft drinks market.
- Beverages & Foods Division sold for £97m.
- Cadbury Schweppes' New Zealand business sold to Cadbury Schweppes Australia in return for increased shareholding.
- Sale of the Health and Hygiene Division and other non core businesses will enable the company to concentrate on those businesses it knows best - confectionery and soft drinks.
- Increased earnings per share and an increased dividend highlight significant progress in the first half of 1986.
- "I am confident that the progress made in the first six months will be continued throughout the year."



	AND TRAD GRAPHIC				
Half Year	Sai 1986	les 1985	Trading Profit 1986 1985		
	£m	£m	£m	$\mathbf{\pounds}\mathbf{m}$	
United Kingdom	351.9	421.1	25.0	23.7	
Europe	131. 9	111.2	7.6	5.8	
North America	148.9	157.5	0.8	(1.8)	
Australia	109.6	108.2	11.7	11.2	
Other Overseas	45.0	49.2	3.6	5.5	
	787.3	847.2	48.7	44.4	

The cash dividend will be paid on October 27th to shareholders on the Register of Members at the close of business on 25th September 1986. A scrip alternative is available to shareholders.

Copies of the full statement will be sent to all shareholders and further copies are available from Department S, The Secretary Cadbury Schweppes plc, 1-4 Connaught Place, London W2 2EX.

Carbary Schregges MANAGEMENT PROVEN IN THE MARKET PLACE. Carbary Schregges

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UK COMPANY NEWS

Cookson rises to £43m

Interim Report 1986

Results for the half-year ended 30th June 1986

·	30th June 1986 £ thousands	30th June 1985 £ thousands
Group Turnover	113,544	118,318
Group Profit before Taxation Profit attributable to	10,447	9,100
Ordinary Shareholders	6,461	4,947
Earnings per Ordinary Share	11.76p	9.72p
Interim Dividend	2.75p	2.50p

- * Group profit before tax up 14.8 per cent.
- * Earnings per share increased by 21 per cent.
- * Current trends are expected to continue for the rest of

Copies of the Interim Report are available from the Secretary



Laverstoke Mill, Whitchurch, Hants, RG28 7NR. Telephone: (0256-82) 2360.

and further growth ahead

DURING the first six months of venture with ICI, raised its pre-1986 the Cooksen Group con-tinued the progress it had £52.11m from a turnover of schieved in recent years.

Sales pushed ahead from £451.2m to £458.3m and at the pre-tax level profits showed an improvement of £6.4m at £43m — the group manufactures pecialist materials for use in

The sales figures were mated higher depreciation affected by the relative weakmess of some currencies, lower metal prices, acquisitions and disposals and movements between subsidiary and related parisons were restated took in a f29.6m (£25m) share of companies. Interest

The further improvement in profitability of the subsidiaries was mainly in the Fry division and the ceramics and antimony

The materials division experienced difficult trading condi tions and was adversely affected by continuing development expenditure but helped by a good contribution from the Horsell group In the US, although profits

were not as good as in the first half of 1985, particularly as converted at a less favourable exchange rate, all operations showed a marked increase over

£242.69m, against a previous £221.56m. Demand continued strong for titanium dioxide.

Tioxide's fixed assets were being revalued as from January 1 and a provision of s2m was incorporated as an extraordinary item in Cookson's

related companies. Interest charges were little changed at £10.4m (£10m).

#10.4m (£10m).
Tax rose to £16m (£13.7m).
Earnings worked through at
19.4p (18.8p) from which an
interim dividend of 2.75p (2.4p) net is being paid.

During the second half most of the UK and European businesses had continued to progress but the US economy was still unsettled and the Cookson companies were not seeing any material change in

The very strong performance by Tioxide being maintained."

Crucible Company, with plants operating in Europe and the US, together with other recently announced acquisitions were expected to contribute to the continued growth of the group.

comment

A Cornish parson was the first to isolate the white oxide of titanium in the early nineteenth century and Cookson must have muttered more than a few prayers of thanks to him in recent years as its 50 per cent stake in Tioxide has proved a money-spinner. Titanium money-spinner. Titanium dioxide is the pigment in most white palut and is one of the few chemicals suffering from undersupply. Once again, Tioxide contributed more than haif Cookson's pre-tax profits and looks set to do so at the full year stage. In the rest of the group, the fall in commodity prices has allowed Cookson to squeeze higher margins out of most divisions. The exceptions most divisions. The exceptions are lead, where the company is engaged in secondary refining and is thus hurt by a low pri-mary price, and the US, where profits were hit by the slump demand from the electronics in the electronics industry. For the full year, pre-tax profits look set to fall just short of the £90m mark leaving the shares, The acquisition of a 50 per at 510p up 20p, on prospective joint cent holding in the Vesuvius p/e of 12.5.

All-round growth at Pentos

industry.

22.5 per cent increase in up to 1.36p (0.91p) per share the objective was 250 shops A 22.5 per cent increase in up to 1.36p (0.31p) per share trading profit and substantial and the interim dividend is savings in interest charges at Pentos pushed up the first half 1986 pre-tax profit from £441,000 sales improved to £13.92m to £831,000, or by 88 per cent.

Mr Tony Maher, chairman, pointed out that profits from retailing and publishing were concentrated into the second concentrated into the second blockstore. half. He said he expected a material improvement in pre-tax results for the year (over the previous £2.79m) and was increasingly enthusiastic about the longer term potential of the

interest charges were cut to £379,000 (£576,000) with some £150,000 saving being attributed to the rights issue proceeds received in May. Earniu2s were

bookstore.
The Athena retail refurbishment programme was also com-pleted. So far this year in the UK 10 new shops were opened with at least another five to come. By the end of the year, net of closures, there would be some 55 Athena shops trading in the UK.

Mr Maher said the company

had again raised its expectations

In the US, he would expect by the end of the year more than 20 Athena departments to be operating within the major stores group under the recent agreement. In addition the company was pushing on with the development of its own free standing retail chain; and would be expecting to operate from 10 stores by this time next

Within the office and contract furniture business trading continued to be buoyant, with sales ahead to £6.27m (£5.76m) and profit to £705,000 (£558,000). Work started on extending the manufacturing facilities at Ripley at a near

for future new shop openings. facilities at Ripley at a near At least 40 should be opened in £1m cost; it would add 30,000 1987, including franchises, and sq ft of factory space.

Derek Crouch maintains improvement in first half

THE STRONG improvement in 1.793p—last year's final pay results last year was maintained me ut was 4.188p paid from pre-in the first half of 1986 at Derek tax profits of £8.13m (£1,76m). Crouch, opencast mining, civil

The company's coal operaenginering and building construction group. Although turnover slipped from £30.73m to substantial capital plant re-£27.33m pre-tax profits increased to £1. £1.31m.

The directors explained that principally from the weaker US dollar exchange rate and the reduced level of local authority construction work being under-

Although the spring weather conditions were not very favourable, the company's UK mining operation maintained good levels of production and efficiency and the company will continue to tender for further new contracts as opportunities

23m pre-tax profits increased placement already undertaken fl.38m, compared with this year together with an excellent local workforce would help ensure the future operating efficiency of the US subsidiary directors said.

The market for coal remained depressed and the severe drop in world oil prices earlier this year inevitably led to a further softening of coal prices and a sortening of coal prices and a reduced profit contribution in the period. Nevertheless, with continued monitoring of production costs and techniques the company still anticipated a profitable out-turn for the year, that stated

they stated. Construction activities were arise.

After tax charge of £497,000 spring weather and completions (£492,000) for the six months, in the company's private homes earnings per 20p share were division were slightly below exgiven as 7.05p, against 6.58p pectations. However the company was still on course to lifted to 2.017p, compared with meet objectives for the year.

Portals expands on papermaking and engineering growth

asic earnings up 21 per cent to 11.76p per share. Mr Julian Sheffield, chairman,

said that the broad pattern was expected to continue for the rest of the year.

The chairman said the figures maintained the trend started in the first half of 1985, with papermaking and engineering divisions having a good order intake and the water treatment side suffering from a lack of major contracts. Property produced a good result mainly through some increased rents. Group turnover for the half ear came to £113.5m year came to £113.5m (£118.32m), after interdivisional sales and rents, and the trading profit to £10.32m (£9.75m). Fully diluted earnings were

scrip adjusted). The cash position had con-tinued to improve, the chairman

In papermaking (sales £31.74m and profit £5.29m, against £36.53m and £4.61m) the two mills at Overton and Bathford were busy throughout. although the exceptionally high demand of the latter part of

New capital investment pro-gramme had improved productivity and margins also bene-fitted from stable raw material prices and energy costs.

Results from water treatment (sales £73.93m and profit £3.49m, compared with £75.15m and £4m) were affected by the timing of the placement of large contracts, the chairman pointed

RESULTS for the first half of the dearth of new drinking 1986 from Portals Holdings water schemes in the Third showed profits before tax ahead World and of industrial proby 14.8 per cent to £10.45m and jects anywhere. But sales of water treatment chemicals and other products and services were expanding satisfactorily.

Engineering improved its sales from £6.62m to £7.7m and profit from £401,000 to £600,000. and was making a good return on assets employed. Better prohealthy market conditions con-tributed. There was scope for

further improvement. After tax £3.97m (£3.75m) the half year net profit worked through at £6.48m (£5.43m). pared to the UK composite rate of 36.25 per cent and an actual 41.9 per cent for 1985. comment

Fully diluted earnings were • comment
10.78p (8.91p) and the interim While not having a licence to
dividend is raised to 2.75p (2.5p print money, Portals does make the paper from which many of the world's banknotes are made After adding in its other "security paper" interests (travellers cheques, passports. bearer bonds). Portals is so important in the sector that the Bank of England judge it prudent to maintain a 28 per cent stake. That must be one of the most effective defences against a takeover known to man. In the first half, security paper increased margins thanks to the sale of an unprofitable mill but water treatment. Portals' other main activity, was hit by the lack of municipal and industrial contracts. In the long term, Portals will probably seek to acquire a third leg. possibly via a major add-on to its engineering division. An acquisition looks affordable whilst Portals is cash-positive and whilst its shares at 325p

are on a prospective p/e of 13. The contracting companies assuming pre-tax profits of continued to be hampered by £25m.

Burmah forms adhesives sector by \$33m purchase

resah Oil has taken another five specialty chemicals divi-Surpaid UII has taken another five specialty chemicals divisites to expand its specialty sions; adhesives, coatings, chemicals operations by buying printing inks, scalants and Columbia Cement, a private US water management. The company; for 433m (£22m). Columbia acquisition was paid Columbia is the largest supplier for in cash, from the proceeds of contact adhesives in the US.

The purchase of Columbia was founded in 1919 and supplies contact adhesives division, consisting of the US covery and to the construction, furniture. sisting of the US company and Industrial Adhesives, the UK

group which Burmah bought in 1982. The division could be German company to

chemical companies since the Maisel, will stay on as head of beginning of 1985 for around Burmah's US adhesives opera-£40m-£50m in total and now has

to the construction, furniture, vehicle, boating and DIY mar-kets. Its biggest customer is

further strengthened by the Although Burmah is not purchase of a French or West releasing details of Columbia's rman company to add a profits for reasons of commer-tropean leg to Burmah's US cial sensitivity, it has annual and UK adhesives operations.

Burmah has now bought six bia's president, Mr Howard

BOARD MEETINGS

Owen & Robinson reorganisation begins

Owen & Robinson, a small led to a deterioration in the improvement, although much of Yorkshire-based peweller which in recent weeks was taken over by two private investors, Mr Harry Davies and Mr Richard been taken to increase both action outlined results for

Ratner, yesterday revealed that marg its 1985-86 losses had been cut by £39,520 to £88,632.

It was pointed out, however, that the figures do not give a true comparison as the previous year's results included a one-off pension contribution of £98,320. declined by 5 per cent and with Sales for first three months margins also under pressure this of current year showed some

margins and rate of stock

It has been decided to re-locate both the Hull and York shops and, to close Halifax. The freehold property at Hull will be disposed of but the freeholds at both York and Halifax will The new management said be retained on a tenanted basis that on a like-for-like basis sales for the time being.

trade.

current year would show an improvement, although much will depend on Christmas

The properties have been professionally revalued and showed a surplus of £949,145 over book value and the new valuations incorporated. Despite the losses, borrowings remained under 10 per cent of share-holders' funds.

Turnover for the past year (to May 31 1988) declined from £944,437 to £380,060. A final dividend of 5p makes a sameagain net total of 10p.

Mr Batner is a stockbroker with Kitcat and Aitken, while Mr Davies is a former director At the time of the bid they said their plan was to maintain the company's listing, improve the trading performance of its retail jewellery business and

"seek to develop its activities when opportunities arise."

A FINANCIAL TIMES SURVEY LONDON DOCKLANDS

WEDNESDAY 1st OCTOBER 1986 The Financial Times proposes to publish a survey on the above. The editorial synopsis covers the

> THE FOUR ZONES INDUSTRY HOUSING

OFFICE DEVELOPMENT TRANSPORT

DOCKLANDS AS A PLACE TO LIVE ARCHITECTURAL OVERVIEW **PROFILES** For a full editorial synopsis and details of available advertisement positions, contact: Andrew Wood, Financial Times

10 Cannon Street, London EC4P 4BY or telephone 01 248 8000 x 4129

FINANCIALTIMES **EUROPE'S BUSINESS NEWSPAPER**

This announcement appears as a matter of record only.



SKÅNE - GRIPEN AB

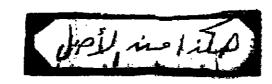
The Gripen Group

2,000,000 "B" Free Shares

The undersigned arranged the placement of these Shares

Shearson Lehman Brothers International

August, 1986



Financial Times Friday September 5 1986 **LONDON RECENT ISSUES AUTHORISED** FT UNIT TRUST INFORMATION SERVICE **UNIT TRUSTS** 59 228 228 28 38 49 129 158 267 158 268 268 218 218 1906 885055 +137 270 +237 270 +237 270 +011 540 +011 147 +014 147 13 01-438 4013 117 128 117 128 129 129 120 120 129 120 12 THE REAL PROPERTY SEEMS WHEN THE PARTY OF TH | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | 12.5 | Date: FIXED INTEREST STOCKS Garbanere Fund Managers / 23 Mary Ant. Lender ECAR Starbanding ody: UL-AS 57845506 American Treat. 17.0 Brish 79.4 (Account Account Andrew Treat. 17.0 Brish 79.4 (Account Account Acc Closing + ar Price -"RIGHTS" OFFERS 10710 24710 10710 14710 6710 6710 257 Grandile Unit 7st Magest Lisi 8 Long Lane, London ECS 8007 r (Tot Mgant) Ltd
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I Heard the composer of "Rule Britannia" was first outside (?)

5 Union leader ordered retiring porter outside, quite loud enough (?)

9 Modify retail distribution without one (5)

19 Found in the country a worthless paper bouquet (9)

11 Lehar composed one of five with some clown (9)

12 Arabs ordered port (5)

12 Respond after the soldiers' performance (5)

13 Will teams change in a marquee? (9)

14 Club official makes rate fixing more certain (9)

15 Union leader ordered retiring more certain (9)

16 Eve threw at this Devon banker and get on (9)

7 Skeleton of a duck Ben's thrown outside (5)

8 With unusual glee the worker polished (?)

18 Eve tries to turn a kind of shirt into a napkin! (9)

17 Try, when half drunk, our Davet (8)

18 Comes to sin with tart running around the passage (?)

Allowed youth leader and poor Eddie about a pound (?)

19 In time the learned cleric will become a (ather (5))

21 Walk half mile behind a doctor (5)

22 Neat joints in frame (9)

23 Neat joints in frame (9)

24 Account for the mis-spelt answer to 15 across (9)

25 Account for the mis-spelt answer to 15 across (9)

26 Eve tries to turn a kind of shirt into a napkin! (9)

27 Comes to sin with tart running around the passage (?)

28 Allowed youth leader and poor Eddie about a pound (?)

29 Dashing fellow ordered to go around the end of April (5)

20 Set about getting the sailors back on board (5)

21 Catches the horse between two poles (5) | Bridge | Found | Minangers | Asign | Asi | Manager | Los | 77.106 +0.5 1.84
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Assemble Risk
Assemble Ris answer to 15 across (9)
26 Shun prima donna returning Solution to Puzzle No. 6,116 Scottish Life Investments 1951 Andrew Sq. Edioburgh UK Zouty 1993 America 1993 Paciti 1991 Lungum 1852 2 carrying a ball! (3)
27 "Throwing a stone" the redhead admitted "is head admitted "is treachery" (7) 28 Made safe and dependable in the finish (7) DOWN

1 Whip the one writing nonsease about it (7)

2 Every second a dead bird is
brought in (9)

2 Runs round Oriental harbour (5)

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CETINGS

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Financial Times Friday September 5 1986 **INSURANCE, OVERSEAS & MONEY FUNDS** Money Market OFFSHORE AND

PLATINUM 50 troy oz. \$/troy oz

SILVER 5,000 troy oz. cents/troy or

663 \$ 665 2 669.5 673.3

\$25.7 \$38.0 \$40.2 \$43.5 \$44.1 \$51.4 \$55.0 \$62.7 \$68.4 \$77.5

SUGAR WORLD " 11 112,000 lb, cents/lb

CHICAGO

LIVE CATTLE 40,000 tb, conts/lb

Close High 58.47 58.70 57.20 57.40 58.62 56.00 50.50 50.70 51.72 51.85 60.70 50.76 47.70 44.40 44.60 44.60

MAIZE 5.000 be min, cents/56/b-bushet

PORK SELLIES 38,000th, cents/ib

SOYABEAN MEAL 100 tons, 5/ton

27.08 SOYABEARS 5.000 bu min. 27.08 conta/80-fb bushel 28.20 Close High 40.00 8ept 485.4 487.0 445.0 Nov 477.2 477.4 486.0 486.0 486.0 486.0 486.0 486.0 486.0 486.0 486.0 486.0 486.0 486.0 486.0 486.0 486.0 486.0 486.0 4

Prev Jame BI:87 89.25 86.60
2053 Aug 57.76 87.77 57.50
2135 2176 MGS 38.000 B. center/fb
2202 Close High Low
2221 Cet 58.47 58.70 58.10
2240 Opc 57.20 57.40 56.70
2256 Feb 95.62 56.00 55.10
April 50.50 50.70 48.60

Oct Dec Feb April June July Aug Oct Dec

Prev 198.00 200.75 198.17 198.90 198.76 198.76

Chernobyl

A HASTILY-arranged meeting

to discuss revising the compen-sation arrangements for Welsh

sheep producers affected by the

sheep producers anested by the Chernobyl nuclear fall out is to be held in Cardiff today between Mr Nicholas Edwards, the Welsh Secretary of State, and Welsh farmers' leaders.

Mr Edwards agreed to the new falls of the state strong managers.

new talks after strong protests were voiced about the present arrangements on Wednesday evening at a meeting between

farmers' leaders and Weish Office agriculture department officials in Llaurwst, North

Some 200 angry farmers lobbled the talks and refused to allow the officials to leave until the meeting with Mr Edwards had been arranged.

Some farmers are so dissatisfied with the compensation

fied with the compensation terms that they have threatened

to ignore the nine-week-old restriction on the movement of

sheep and lambs across a wide area of north Wales because of

irradiation caused by fall out from the Chernobyl disaster. The farming unions in Wales want the condition of animals

within the affected zone to be

ssessed for compensation on a

sheep pen by pen basis. They complain bitterly that the present compensation valua-tions, based on average market

A new worry to emerge from the radioactivity monitoring

programme is evidence of radio

active contamination of hay and silage crops which have been harvested in the area this

Norway plans

power plant

By Fay Gjester in Oslo

STATOIL. Norway's state oil company, has concluded a tentative 1bn cub metres per year gas sales agreement with the Norwegian state power company, Statkraft, to supply fuel for what could be the country's

for what could be the country's first gas-fired power plant, feeding 5bn kilowatt hours per year into the national grid. This is about 5 per cent of Norway's

about 5 per cent of Norway's present power output — today almost entirely derived from hydro-power plants.

Announcing this yesterday, the Oil Minister, Mr. Arne Qien hailed the deal as "a very welcome event," which could provide much needed investment and employment for many

ment and employment for many

as helping to meet national electricity requirements.

Orange juice

gas-fired

are insufficient for

Welsh

INDUSTRIAL DISPUTES have severely disrupted several of Canada's key resource exports, including wheat, lumber and

Grain shipments through the Lake Superior port of Thunder Bay, which handles 40 per cent of Canada's wheat exports, came to a halt earlier this week when 500 grain handlers went on strike over a wage dispute and another 700 were locked out.

The strike comes at a particu-larly awkward time for prairie grain producers. Besides facing a buyer's market, farmers are about to harvest a record crop. According to Statistics Canada, this year's wheat crop will reach 31.3m tonnes, up from 24.3m tonnes in 1985. Barley production is expected to rise from 12.4m to 15.1m tonnes.

An official of the Manitoba Wheat Pool in Winnipeg said yesterday that the Thunder Bay yesterday that the Thunder Bay stoppage is unlikely to affect foreign customers for another three-four weeks. Stocks are high at grain elevators on the lower St Lawrence River, where grain is trans-shipped from lakers to ocean-going vessels.

In view of the bumper crop and the parlous financial position of many western Canadian farmers, pressure is position of many western Canadian farmers, pressure is



grain handlers back to work if no settlement is reached soon. In addition, the Canadian Wheat Board is expected to route larger quantities of grain through west coast ports, whose share of exports has in any case been rising, thanks partly to the opening of a new terminal at opening of a new terminal at Prince Rupert last year.

The Thunder Bay workers, who earn an average of C\$14.50 (£7) an hour, have rejected 4 mediator's proposal of a 2 per cent wage increase with another 1 per cent to follow in mid-1987. In British Columbia, the pro-incial government has be ratified by workers yester-

expected to grow on the Federal vincial government has be r Government to legislate the appointed a judge to try to day.

end a six-week partial walkout by 21,000 sawmill and logging mebers of the International Woodworkers of America, Although stocks are high

softwood lumber prices have begun climbing in response to the strike which affects an estimated 40 per ceut of British Columbia's softwood lumber output Bicketing has lumber output. Picketing has also closed two pulp mills, one owned by MacMillan Bloedel and the other by British Columbia Forest Products.

Meanwhile Noranda, the Toronto-based mining group, plans to resume limited production later this week at its zinc refinery at Valleyfield, Quebec, which has been closed for almost three months by a strike over a new labour con-

The refinery, with a capacity of 230,000 tonnes a year, will be operated by supervisory staff. A company official said output will be a "fraction" of capacity. Noranda hopes that United Steelworkers of America mem-bers at Valleyfield will resume negotiations soon following a decision by union leaders at a Noranda copper smelter and gold mine at Rouyn, Quebec, to accept a new three-year con-

Supply squeeze lifts aluminium

a squeeze on nearby supplies combined with concern about the impact of continuing strikes at several smelters in the US. Cash aluminium closed at £802 a tonne, up £12 on the day and close to levels reached the last time there was a serious supply squeeze in June. The price for aluminium delivered in three months' time, which has been trading in "back-wardation" (at a discount to the cash price) for some time, also rose amid speculative and trade buying, to close at £785.25.

Application were divided as to Analysis were divided as to the reasons for the latest rise.

Mr Anthony Hodges, of traders Rudolf Wolff, said renewed interest had spilled over into aluminium from the copper market, which this week showed its first significant rise since early July. He added that fun-damentals continue to point to a buoyant aluminium market with about five US smelters still strike-bound and metal being sucked into North America

"If this continues for some ne, we'll be looking at quits a tight squeeze," he said.

The picture is confused, how-

LME. with Brent cargoes for October
Mr Angus McMillan, a analyst delivery trading at \$15.55, a rise
with Shearson Lehman Bros, since the beginning of the week
said the cash market was once of about \$1. again being pushed around by One dealer yesterday described the growing volume of alumithe movement as a "ceremonial" nium options business being rally" to commemorate the handled in London. The price beginning of the new Opec was being artificially supported by short-covering on the part, into force on Monday.

of traders with options falling In New York the mood was the mood was

of this year, they have since started rising again. Mr McMillan maintains that with for years.
"Despite all the cutbacks, the

underlying trend is still for production to build up," he said. This has created opportunities ahead."

ALUMINIUM PRICES rose to significant worsening in the for deliberate manipulation of their highest levels in nearly overal supply-demand picture, a market which is in any case despite the loss of between still thin following the tin 130,000 and 150,000 tonnes of crisis.

US output during the summer, "It's very difficult to ask

he added.

Although non - communist that's so frequently in backworld aluminium stocks fell wardation," said one observer.

sharply in the first four months

Swis Aluminium (Alusuisse) said it plans to cut production capacity at its Chippis aluminium plant in Switzersmelters coming on stream, or lauminum plant in Switzersmelters coming on stream, or land's Valais region to 12,000 increasing their output, in tonnes per year from 24,000.

It said capacity will be cut by 6,000 tonnes next month and to the over-supply with which by an additional 6,000 tonnes for years. company's more modern Steg plant, which has an annual capacity of 48,000 tonnes, will

remain nuchanged.

Alusuisse, which made a 1985 the distortions being introduced into the LME aluminium warned shareholders earlier market by options business. this month of a "difficult way

Crude oil market stages 'ceremonial rally'

BY LUCY KELLAWAY

ever, by current stocks levels within the industry, and by OIL PRICES rose in London West Texas Intermediate little short-term distortions on the yesterday by about 35 cents changed by lunchtime at about

changed by lunchtime at about CACEX, Briazil's foreign trade agency, said yesterday that it has not suspended orange juice export registrations as announced last week. It said its confirmation of the temporary suspension, pending agreer—int between growers and processors on prices for the

Most traders believe that the Opec production curbs, which pushed the price of oil up from about \$9 a month ago are being well observed. processors on prices for the coming crop, had been based on a misunderstanding between itself and the Ministry of

Market activity on both sides of the Atlantic this week has of traders with options falling into force on Monday.

In New York the mood was about a dozen trades were done more unsettled, and an early yesterday compared to the 40 or 50 traded daily a month and or 50 traded daily a month ago | Planning.

LONDON **MARKETS** GOLD and platinum prices

pansed after their recent rallies yesterday. Gold, which rose above \$400 in London on Wednesday on concern over South Africa and over the possibility of a new upsurge in inflation, fell \$0.25 on the day to close at \$406.50 an ounce. Platinum, which had earlier pulled the raid price up in its make gold price up in its wake, dropped by \$4 to an afternoon fix of \$644.50 an sunce. fix of \$644.50 an eunce. Dealers said gold fell heavily around mid-day and had looked at one stage as though it would dip below \$400 before recovering most of its losses. They said both metals were consolidating their positions following the recent sharp rise and that gold has this week begun to look as it this week begun to look as if it is developing its own mementum. Some believe investors may choose to take profits from platinum and put them into gold. In other markets, cocoa futures lost most of Wednesday's gains, with December falling £17 on the day to £1,549.50 per tonne. Robusta coffee futures reversed the previous day's losses to gain £46 in the November position to £2,354 per torme. LME prices supplied by Amalgamated Metal Trading.

ALUMINIUM

COPPER

	Unofficia close (p. £ pa	H + of	High/Low
Cash 5month 6	801-3 785-5,5	+12 +12,75	786/776
(790-1), ti settlement 785.5-6.	clesing stee mont 804 (791 er: 29,100	(am): Ciths 784-4.5 i). Final K	esh 803-4 (770-0.5), Jerb close;

Grade A	Unoffic's close		High/low			
Cash 3 months Official cl (897-7.5), th 2.5), settles Kerb close:	919,5-20 osing (en tree mont nent 905,1	<u> 1</u> n): Co ha 919	sh 905-5.5 1.5-20 (912-			
Standard Cash 5 months	876-8 897-9	-5 -5	=			
Official cl (871.5-2.5), 1 settlement 8	three mon	tha 894	ash 878-9 3-9 (890-3),			

	<u></u>	
	Unofficial + or close(p.m.) - £ per tonne	High/low
Cash o months	274,25-4,751+1 276,25-6,5 +0,12	277/276,5 278/27 6
(271.5-2), 4.5), sett close: 275 Turnove	closing (am): Co three months 277- lement 277 (272). is-6-5. ir: 10,900 tonnes, tents per pound.	7.5 (273.5
NICK	FI	

ment and employment for many sectors of Norwegian industry in 1989-90—a period when a trough in offshore oil and gas Official closing (am): Cash 2538-42 (2535-40), three months 2568-70 (2572-4), settlement 2542 (2540). Final Kerb close: 2565-70. Turnover: 1,194 tonnes.

KUALA LUMPUR TIN MARKET: Close 4.08 (14.03) ringgit per kg. Up 0.5 14.08 (14.03) ringgit per kg. ZINC

High grade	Unofficial Siose(p.m Siper	tonne	High! low
Sash Months	584-4,25 586-6,5	-1,58 -3,5	588/589 588/582
Official (578-80), ti settlement 581-82. Turnover Western: 4	581 (580). : 14,300 t	ha 584-4. Final K onces.	5 (583-4), arb close: US Prime

GOLD Gold fell just \$4 an ounce from Wednesday's close in the London bullion market yesterday to finish at \$405-\$407. The metal opened at \$405-\$407 and traded between a high of \$407-\$408 and a low of \$407-\$402. While sentiment remained buillish, gold sentiment remained buillish, gold sentiment remained bu tended to take a breathe having risen over \$20 an last Friday. GOLD BULLION (fine ource) Sept. 4

3024, \$405-40? pening \$405-12-406-12 f'n'g fbr \$404,00 M'n'n fix \$405.50 GOLD AND PLATINE	(£2894, £7014) (£2804, £2114) (£268, 760) (£269, 346)
2 Krug \$2154-215 4 Krug \$1084; 1091 ₉ (18 Krug \$44-45 \$spleieaf \$4175,-4203 ₆ krygel \$413-415 //0 Angel \$43-48 lew Sov \$97-99 Md Sov \$1014-1031 ₈ 20 Eagle \$476-523	(2269.272) (214141424) (2724724) (23714.2724) (23714.27214) (227314.27214) (227314.27314) (2264.514) (267-264) (2516.24314) (24324.44014)

SILVER
Silver was fixed 9.55p an ounce lower for spot delivery in the London builton market yesterday at 352.45p. US cent equivalents of the fixing levels were: spot 529.55c, down 11.45c; three-month 536.8c, down 11.7c; six-month 544.25c, down 11.75c. The metal operand at 356-369 (534-536c) and closed at 355-356-30 (534-536c). Buillon + or LM.E. + or Fixing Price Unoffic'i SILVER

LME—Turnover: 6 (133) lots of 0.000 cunces. Three months tigh/low 358.5c. final arb 362-4p. MEAT

Live cattle prices eased due to fresh

Eastern Capital CCST.							
LIVE	CATTI	E	LIVE	PIGS			
Month	Yiday's close	+01	Y/day's	+01			
Sept Oct Nov Feb Apr	96.80 97,00 99,00 89,60	-1,30 -1,00 	104.30 108.40 99.30 99.00	-0.30 +0.50 -0.50			
Cattle sales: 11 (6) lots of 5,000 kg. Pigs sales: 1 (0) lots of 3,250 kg.							

US MARKETS

THE PRECIOUS Metals were once again the main attraction, reports Heinold. The platinum contract, basis October, made gains of nearly \$12 up to a level of \$676 per ounce in very erratic trading although the market had moved over \$10 lower in the early session. Gold futures also responded to general strong speculative buying to see the market reach new highs of \$422.5 per ounce, basis December, and make gains of about \$5 across the board at the close. Coffee also continued the upward trend and closed 2.5c over Wednesday's close, basis December, with no fresh news to inspire the market. Prices still reflected a great deal of confidence with the main opera-tors giving the market a lot of support.

NEW YORK 25882/718 -15 25670:00 552.75 852.16 2584.12 -1.30.2540 2584.12 -1.30.2540 2586.25 -3.5 2544.5 54.70 54.70 Barley Fut.Nov. 92107.781+0.402104.95 Maire 8158.75-0.512148.00 Wheat Fut.Nov. \$108.05+0.752105.90 No. 2 Hard Wint. \$108.05+0.752105.90 201.20 198.76 198.50 197.50 MEAT COMMISSION—Average far-tick prices at representative markets, B—Cattle 95.56¢ per kg lw (-0.26). B—Sheep 149.039 per kg est dow -1.46). GB—Pigs 80.91p per kg hw -2.244 COTTON 50,000 Ib, DE High 37.15 37.80 39.08 39.80 40.80 41.60 42.50

OIL (LIGHT) US gallone, \$/berrel

41.50 44.65 46.10 47.36 47.96 48.05 46.50

COCOA

INDICES

REUTERS

DOW JONES

Sept 4 Sept 4 Meth ago Year ago

1475.0 1470.4 1466.6 1708.9

Spot 120,81 119,95 - 112,92 Fut 123,99 122,84 - 112,55

(Base: December 31 1931-100)

MAIN PRICE CHANGES

in tonnes unless otherwise stated.

ct quite sined £25 ination o	due eesler steedy on ti before eas if profit-taki ports Gill s	te ope ing on	ning a
COCOA	Yesterday's Close	+ 00	Buein
	£ per tonne		DOD
ec	1490-1494 1549-1560 1589-1590	-17.0 -16.6	1583-1 1822-1
#V	1607-1608	_100	1041

COFFEE

in a range of only 125, beals January, and comparatively light volume the market found little fresh fundamental or technical news to motivete the day's trading and consolidated at recent levels, reports COFFEE

Sales: 5,325 (9,154) lots of 5 tonnee 1CO indicator prices (US cents per pound) for September 3: Comp delly 1979 177-57 (179.49); 15-day average 184.95 (162.48).

SOYABEAN MEAL

	Y'ster d'ys close	+0	Business done
April June August October	166,6-164,5 164,5-166,5 181,6-166,0 180,6-182,5	+0,95 +1,00 +0,89 +0,75 -0,95	184,5 139,0-181,5

GRAINS

WHEAT BARLEY Business done—Wheet: Sept 107.15.
108.70. Nov 108.15-107.50. Jan
111.00-110.40, March 112.40-113.10, May
115.90-115.90, July untraded. Sales:
358 lots of 100 tonness Barley: Sept
105.78-105.90. Nov 107.36-107.80. Jen
110.70-110.40, Merch 112.90-112.80,
May untraded. Saless 450 1290-112.80, May untraced. Seles: 150 lots of 100 tonnes.

LONDON GRAINS—Whest: US dark northern spring no 1 15 per cent Oct 98.00, Nov 97.75. US no 2 soft red winter Oct 95.50, Nov 97.26, Franch 174-12 per cent Sept 129.50. English feed fob Jan/Mar 116.25 peid east coast, Sept 110.50 buyer, Oct/Dec 112.50/113.00 buyer/seller. Makzs: US no 3 yellow/Franch transshipment east coast Sept 162.75. Barleys English feed fob Sept 108.00/108.00. Oct/Dec 112.80/113.25, Jan/Mar 118.09/116.80 buyer/sellers.

POTATOES

The market drifted lower throughout the day in thin volume to close at the tws, reports Coley and Karper. Sales: 615 (\$95) lots of 40 tonnes. & per tonne

Lutest High Low Prev 43.80 44.65 45.20 44 100 44.95 44.10 44.75 47.80 47.25 47.80 47.25 47.80 47.25 47.80 48.25 47.80 47.25 47.80 48.25 47.80 47.25 47.80 48.25 47.80 47.25 47.80 48.26 48 Tate and Lyle delivery price for granulated basis sugar was £182.50 (asme) a tenne for export. International Sugar Agreement—(US cents per pound fob and stowed Caribbean ports.) Prices for September 3: Daily price 4.65 (4.65): 15-day sverage 5.04 (5.12). Mid-September Ninian sold at \$14.90. In the Brent merket, the emphasis was on exchanges from October into Movember at 10c a berrel or less premium for October. Outright sales were few, but price levels were up on the day. October WTI on Nymex opened 8c down but traded 4c up at 1.30 pm EDT. Trading during the morning was concentrated upon November. Heavy fuel all rose on good buying interest but buyers were less keen on gasoline. Gas oil and saphths were quiet-Petroleum Argus, London.

Pray 869*AB6AN Okt. 60,000 lb. 404.5 408.4 ... Close High 408.4 ... Close High 408.4 Sept 13.27 13.26 13.36 410.3 Oct 13.27 14.00 416.8 Jest 14.00 14.09 420.1 March 14.29 14.40 14.75 430.9 July 14.65 14.80 434.9 August 14.75 14.75 14.75 433.0 Sept 14.80 14.36 443.2 Oct 14.91 15.05

FREIGHT FUTURES

Low Prov 259.0 259.0 263.4 264.2 259.6 261.0 248.0 248.4 241.0 242.0 — 42.2

The dry cargo merket eased as short-covering cassed. The large premium of futures over the BFI caused fresh sell-ing, reports Clarkson Wolff. | Close | High/Low | Prev. Dry Cargo

CRUDE OIL—FOR (# per barral) Sept. 817/799 880/803 823/827 870/840 855/850 780/735 875/868 830/825 830/825 830/825 830/825 830/825 830/825 830/825 830/825 830/825 830/825 830/825 830/825 14.95+14.55 15.00-15.90 +0.15 16.10-18.95 —0.10 Turnover: 649. Close | High/Low Prev. 1000 1010/1030

GAS OIL FUTURES

134<u>.25</u> 189,50 143,76 148,00 160,00 Turnover: 3,204 (3,821) lots of 100 RUBBER

PHYSICALS—Closing prices (buyers): Spot 60.50p (61.00p): Oct 60.00p (60.50p): Nov 60.00p (60.50p). The Kusia Lumpur fob price (Melaysian cents per kito): RSS No 1 218.0 (same) and SMR 20 188.5 (188.0). FUTURES—Index 897, Oct 587-602, Oct/Dec 597-602, Jan/March 607-610, April/June 619-624, July/Sapt 621-627. Sales: Nii.

SUGAR Paraistent long figuidation attributed Cube forced prices lower, reports to cues tores prices tower, reports C. Czamikow. LONDON DARLY PRICE—Raw sugar \$122.00 (281.00), up \$1.00 (unchanged) a tones for Saptember-October delivery. White sugar \$183.00, up \$3.00.

Tin producers seek exchange

- 1250 - 1250/1900 - 1075/1160 2300 1160/1240 - 1178,5

TIN PRODUCING countries must find an alternative to the London Metal Exchange to operate with metal brokers worldwide, delegates at the executive committee of the Association of Tin Producing Countries said, reports Renter.

The countries at the meeting also set up a work group to study how competitive tin is in comparison with other pro-ducts, such as aluminium and Dlastic.

The delegates agreed to seek measures to increase tin prices without having to reduce world

World tin stocks fell from 90,000 tonnes in January to 60,000 tonnes in July, they said. This year, Malaysia's output is estimated at 27,500 tonnes. against 26,000 by Brasil and 23,000 from Indonesia.

The number of tin mines operating in Thailand fell to 313 last month from 633 a year earlier, the mineral resources

Stage set for tin battle BY A. H. HERMANN, LEGAL CORRESPONDENT

THE LEGAL battle over the have refused to answer many ruins of the International Tin Council will soon be starting in earnest if Tinco Realisations, a group of 11 London Metal Exchange brokers, succeeds with its planned petition for the winding up of the insolvent

Council. That is likely to be only the first step in the action to recover losses of up to £400m sustained in the tin crisis. Mr Michael Arnold, a senior partner of Arthur Young, the accoun-tancy firm, who is co-ordinating the brokers' efforts, may be appointed liquidator of the Council only to be told that the 22 member states — or most of them — are unwilling to stand for the debts.
Suits against the member

states could then be brought in the UK or in other jurisdictions, depending on the answers which the courts might be expected to give to the following three questions:

Can the creditors claim, in addition to contract debts, also

damages for losses consequential on the suspension of trading on the LME? • Are the member states liable, jointly and individually, for the put another way: is the ITC a debts?

questions asked, claiming that the UK is bound by confiden-tiality. What purpose such con-fidentiality can serve now that ITC is no longer trading is hard to imagine

what the Council discussed and resolved before closing shop suggests that the member Governments hope to escape full responsibility for wrong-ful trading, leaving it all on the shoulders of the buffer-stock managers.
But the details of what was

said and resolved are unneces-sary. The essential facts are on record. The ITC started trading with less money than it should have received from the members according to the treaty (the Sixth International Tin Agreement) and expanded its operations beyond the financial limits of the treaty. It contirued trading long after it became insolvent. It is not necessary to prove fraud; reck-lessness and even incompe-tence alone should be enough to establish claims for damages for consequential losses suf-fered by the London brokers. The second question can be



Mr Michael Arneld, the eccountant who is co-ordina-ting the brokers' campaign.

debts?

Imited liability corporation, as creditors and memoers. The the member states will no doubt the member states will no

1824: "It is, we think, a sound principle, that when a Government becomes a partner in any trading company, it divests itself, so far as concerns the transactions of the company, of its sovereign character and and takes that of a private citizen." The creditors will be able to rely on a detailed analysis of this rule provided by Lord Wilberforce (1). Under his interpretation, commercial his interpretation, commercial dealings are excluded from the benefits of sovereign immunity, whatever was the purpose of the government in engaging in it. The same stand has been adopted by the highest German courts. Also the US Supreme Court held (in Alfred Dunhill of London Incorporated v Republic of Cuba, 1976) that ting the brokers' campaign.

It is the practical impact of interpolation of a purely commercial debt.

The question of enforcing any judgments obtained against member states is a more difficult of the concept of acts of state amot apply to the repudiation of a purely commercial debt.

The question of enforcing any judgments obtained against member states is a more difficult of the debtors of the debtor states, including the property of the debtor states, including the property of state-owned corporations. But billity to companies under per per strictly defined conditions, decembed for the protection of the House of Lords in the case ITC is nothing of the sort. It of Alcom v Republic of Colombraded in London under English bia (2) that the nature of the law as an English strategy. bank account, whether main-tained for commercial or

against them?

The creditors have now outlined their argument in a memorandum drafted by three eminent lawyers, Mr Elinu clair QC, and Dr Richard Plender. The governments, while keeping their cards close to their international organisations are without limited liability, unless specifically so provided; and intonations.

The archives of the ITC have been inacessible and protected by immunity up to now.

British Government officials

The creditors kave now outlined the member states, who there fore aredirectly responsible for about limited liability in the ITC Headquarters Agreement or the implementing order laid before governmental purposes, was the member states, or some of them, are likely to claim sovereign immunity. They will say that what they did was not for profit but for the well-being of their countries. But whatever their objective was, they attempted to achieve it by trading on the LME.

This may be neither here nor there is not a word about limited liability in the ITC Headquarters Agreement or the implementing order laid before governmental purposes, was the mander entirely dependent on a member states, or some of them, are likely to claim sovereign immunity. They will say that what they did was not for profit but for the well-being of their countries. But whatever their objective was, they attempted to achieve it by trading on the LME.

Agent of the member states, who there about limited liability in the ITC Headquarters Agreement or the implementing order laid before of them, are likely to claim sovereign immunity. They will say that what they did was not for profit but for the well-being of their countries. But whatever their objective was, they attempted to achieve it by trading on the LME.

Agent of the member states, who there is not about limited liability in the ITC Headquarters Agreement or the member states, or some of them, are likely to claim of them in the ITC have in the unit of the profit limited liability in the ITC Headquarters Agreement or the member states, or some of them, are l

CURRENCIES, MONEY and CAPITAL MARKETS

CURRENCY MOVEMENTS

CURRENCY RATES

OTHER CURRENCIES

Beigien Franc ...
Danish Krone ...
Germen D-mark
French Franc ...
Dutch Guildet...
Irish Punt
Italian Lira

FOREIGN EXCHANGES

Dollar down from firmer start

Spot \$1,502-1,542-31,4965-7,4965
1 months 0.54-0.51 pm 0.54-0.52 pm 3 months 1.67-1.65 pm 1.62-1.50 pm 12 months 5.25-5,15 pm 5.27-5,17 pm

1.4870. Exchange rate index rose to 71.7 from an opening level of 71.5 and 71.4 on Wednesday. The six menths ago figure was 73.2.

£ IN NEW YORK

The dollar retreated from opening levels in currency markets yesterday but recovered a little towards the close to finish slightly up from Wednesday. little towards the close to finish slightly up from Wednesday. Trading was rather emmused for much of the day. The market was still uncertain about what action the US authorities may take to try to correct growing trade and budget deficits. At the same time there was some concern about longer term inflationary trends which tended to detar speculators from pushing the dollar through recent support levels.

the dollar through recent support levels.

Against this background the dollar was confined to a fairly narrow range. There was no news to affect trading and today's off prices and speculation that US unemployment figures are not expected to cause much of a str. The dollar closed at DM 20295 of Wednesday's fund raising by the against the D-Mark, up from a low of DM 20215 and DM 20295 of wednesday. Against the yen it rose to Y154.90 from Y154.65 and SFr 1.6425 compared with SFr 1.6350. It was also higher against the French franc at FFr 6.6525 from FFr 6.6450. On Bank of England Squres, the dollar's exchange rate index was 110.0 from 110.1.

STERLING — Trading range against the dollar in 1986 is against the dollar in 1986 is

POUND SPOT-FORWARD AGAINST POUND

DOLLAR SPOT-FORWARD AGAINST DOLLAR

4.03 4.57 2.55 -1.46 -3.47 -11.02 -5.93 -5.93 -8.52 -8.52 -1.02 0.49

EXCHANGE CROSS RATES

i	Sept. 4	: e	₹'	DM	YEN	F Fry	8 Fr.	H FL	Lina	-C 5	B Fr.
	<u>e</u>	0,665	1.505	5,053 2,029	955.0 154.9	10,01 6,659	2,470 1,648	3,445 3,290	2106 1399	2,088 1,388	65,90 42,01
•	DM YEN	0.52B 4,292			76,33 1000.			1,189 14,79	589,5 9034,	0.684 8,959	20,70 271,2
	F Fr. 8 Fr.	0,999 0,405	1.603 0.609		232.5 94,33			3,449 1,895	2103. 852,2	2.086 0.845	65.15 25,59
-	# FL Line	0,290 0,475		0,885 1,450	67.63 110.7	2,906 4.754	0.717 1.178	1,657	611.0 1000,	0.606 0.993	18,36 30,09
:	CS BFr.	0.479 1.582			111,6 368,7	4,794 16,83	1,183 3,908	1,650 5,451	1008. 3351.	1. 3.505	30,98 100,
		You per	1,000;	Franch :	fr per 1	O: Um	per 1,	000; Be	lg Fr p	or 160.	

EURO-CURRENCY INTEREST RATES

Sept. 4	Short term	7 Days notice	Month	Three Months	Six Months	One Year
Sterling U.S. Dollar Can Dollar D Gulider Sw. Franc Deutschmric Fr. Franc Italian Lira	10-104 5 18 6/8 8-814 514-516 114-8 4-18 418 7-714 10-11	101-104- 54-57- 8-81- 54-54- 15-2 4-4-4- 7-71- 104-124	10-10-10-10-10-10-10-10-10-10-10-10-10-1	975-10 516-518 614-938 615-538 4-416 714-738 115-1178	9 94 5 5 8 5 8 6 441 4 4 7 7 11-114	94-93 5-6-5-1 8-5-3-6-1 5-5-4 4-4-1 7-6-7-1 104-11
B.Fr.(Fin) B.Fr.(Con) Yen D. Krone Asian § (Sng)	712.712 7-712 4/3-5 813.916 678-6	719-766 7-716 418-472 939-973 579-5	71a-73a 7-71a 51a-5-3 91a-10 51a-6	71e-7ie 7-71e 4/2-47e 10-101e 53e-67e	7-714 7-714 414-434 1046-1078 516-518	7-714 7-714 411-434 1086-10 5/8-5/1

MONEY MARKETS

Little change in London rates

funds on petroleum revenue tax would improve liquidity. The houses also tended to sell fewer bills than required to take out the underlying shortage.

The Bank of England initially forecast a money market shortage of \$600m, but this was revised to \$650m at noon. Total assistance on the day was \$514m.

There were signs of a general slight easing of interest rates on the Continent yesterday. The Italian Treasury is to offer 12,750bm of six-month and 12-month Treasury bills at its its new YORK RATES (Lunchtine)

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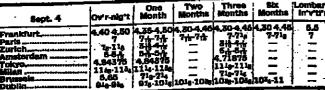
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MONEY RATES



THE LONDON money market remained very quiet yesterday, with short-term interest rates showing little change. Three-month interbank was unchanged at 9½ per cent. Bills maturing in official houses may have been reductant to bid for overnight funds because of expectations that releasing rate 10 per cent specific per cent and 0.19 per cent respectively below the last issue. The L1,500hn of six-month bills will have an effective annual yield of 10 per cent, and a take-up of Treasury tap stock month bills will have an effective annual yield of 10 per cent, and the L1,250bn of 12-month bills will have an effective annual yield of 10 per cent, and the L1,250bn of 12-month bills a yield of 10.07 per cent, and the L1,250bn of 12-month bills a yield of 10.07 per cent, and the L1,250bn of 12-month bills a yield of 10.07 per cent. The Italian Treasury also rates on eight long term totalled FFr 30.25bn.

There were signs of a general total per cent and 0.19 per cent respectively below the last issue. The L1,500hn of six-month bills will have an effective annual yield of 10 per cent, and the L1,250bn of 12-month bills a yield of 10.07 per cent. The Italian Treasury also rates on eight long term totalled FFr 30.25bn.

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There were signs of a general total per cent and 0.19 p

There were signs of a general

beight £132m bills outright by way of £110m bank bills in band 2 at 92 per cent; and £22m bank bills in band 3 at 92 per cent.

Trassury Bills (sell): one month \$432 per cent; three months \$75 per cent. Sank Bills (sell): one month \$432 per cent; three months \$75 per cent. Trassury Billis: Average tender rate at discount \$3.338 per cent. EGGD Fixed Finance Schame IV reference date August 6 to September 2 (Inclusive): 8,990 per cent. Local Authority and Finance Houses seven days' notice, others seven days' fixed, Finance Houses Base Rate 10 per cent from September 1 1996, Benk Deposit Ratus for sums at seven days' notice 4,35-4,375 per cent. Cardificates of Tax Deposit Series 6: Deposit \$100,000 and over held under cent month 10 per cent one-three months \$75 per cent. The months \$75 per cent mine-12 months \$75 per cent. Under £100,000 \$75 per cent months \$75 per cent mine-12 months \$75 per cent. Deposits withdrawn for cent from August 21. Deposits held under Series 5 \$75 per cent. Deposits withdrawn for cent F75 per cent. Ovr-nig't Month Months Months Months Invetto

FINANCIAL FUTURES

Sept 4 Previous

71.5

Siz months US delibra

Offer 5 II

9.00 am 71.5

1.00 pm 71.6

2.00 pm 71.7

3.00 pm 71.7

Noon

+0.93 +1.73 -0.46 +0.18 -0.33 -0.09 -1.80

EMS EUROPEAN CURRENCY UNIT RATES

43,6137

7.96241 2.10114 6.86576 2.37037 0.764262 1450.37

Changes are for Ecu, therefore positive clumps denotes a week currency. Adjustment calculated by Financial Times.

The fixing rates are the arithmetic working day. The benks are Mational day of the State of Tokyo. Devisible Benk. Bank of Tokyo. Devisible Benk. Bank of Tokyo.

Month

43.7139 7.81701 2.11063 6.87316 2.37833 0.784976 1478.96

(11.00 a.m. September 4) Three Months US dollers

LONDON MONEY RATES

10-11

10-101e 976-101e

71.3

71.3

71.5

71.6

71.5

71.4

Bonds and gilts fall

US TREASURY bond and long- Tokyo, where dealers appeared term gilt futures weakened on unwilling to sell at present the London International Financial Futures Exchange yesterancial Futures Exchange yesterday. Trading began on an exception of the contract rose to a peak of 98-25, but fell back to 120-15, encouraged by the better peak of 98-25, but fell back to 120-15, encouraged by the better peak of 98-24, and optimistic note, with dealers touched a low of 97-24, and foreign exchanges and the early strength of US bonds. The later in bonds, as a result of fears about higher inflation, had run its course. December bonds close Chicago opened lightly firmer at 9809, down to 87-17, in very nervous jobbers and the turnround in based on a firm market in and volatile trading. Dealers

the contract's weakness was a rumour that today's figures will show a rise of 220,000 in US non-farm employment, com-pared with earlier expectations of around 150,000. US unempployment in August is expected to be unchanged at 6.9 per cent. delivery opened higher at 120-15, encouraged by the better

ented that a factor behind

The D-Mark was higher against the dollar in Frankfurt yesterday with currencies confined to a narrow range in the absence of any fresh economic data. West German data concerning a rise in new industry orders and net currency reserves were ignored. The dollar closed at DM 2.0270 down from DM 2.0230 on Wednesday but up from the day's low touched when traders tried unsuccessfully to establish the rate below DM 2.0250. Earlier in the day it had been fixed at DM 2.0258 from DM 2.0368 on Wednesday.

JAPANESE YEN — Trading range against the dollar in 1985 is 202.70 to 153.13. August average 154.15. Exchange rate index 205.7 against 190.7 six mostils ago.

The yen showed little overall change sgainst the dollar in Tokyo with trading confined to a relatively narrow range. The US unit closed at Y155.10 against Y154.70 in New York and Y154.55 in Tokyo on Wednesday. While the dollar's undertone remained bearish there was persistent buying at the day's low of Y154.70, buched at the opening. It reached a high of Y155.20 but lacked further support and soon fell back. Puts—Last
Oct Nov Da

0.20 0.76 1.10
0.50 1.85 2.50
2.60 4.00 4.95
— 12.10
— 12.10
— 18.70
to 2.510 Puts—Last
Sept Ort Nov Dec
— — 0.10
— 0.55 — 0.20
— 0.10 0.80 0.86
— 8.65 1.50 2.16
0.80 2.40 3.40 4.70
4.45 5.75 6.80 7.50
9.40 — 10.80 11.50
— Puts — Latest High Low Fr.
Sept 94.19 94.22 94.17 94.
Dec 94.19 94.25 94.17 94.
March — 94.16 94.02 94.
Aune — 93.96 93.88 93.95 93.89 93.69 93.88 93.95 93.97 93.98 93.98 93.97 93.99 93.99 93.99 93.21 92.97 93.99 93.99 93.99 93.21 92.9 CHICAGO Prev 98-29 98-04 97-08 96-07 95-09 94-31 91-02 92-29 91-23 91-07 HAMA STERLING Se per E Latast High Low P.
Sept 1.5045 1.5055 1.5020 1.41
Dec 1.4905 1.4920 1.4920 1.49
March 1.4740 1.4790 1.4740 1.11
June 1.4900 1.4960 1.49

FINANCIAL TIMES

IS PROPOSING TO PUBLISH A SURVEY ON

URBAN RENEWAL

PUBLICATION DATE: OCTOBER 6 COPY DATE: SEPTEMBER 22

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- 2 The mechanisms
- 3 The role of the private sector
- 4 The major conurbations
- 5 The political background
- 6 Policy alternatives
- 7 Architecture

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FINANCIAL TIMES EUROPE'S BUSINESS NEWSPAPER

WORLD VALUE OF THE DOLLAR BANK OF AMERICA NT & SA, ECONOMICS DEPARTMENT, LONDON

The table below gives the rates of exchange for the U.S. dollar against various currencies as of Wadnesday, September 3, 1966. The exchange rates listed are middle rates between buying and selling rates as quoted between busins, unless otherwise indicated. All currencies are quoted in foreign currency units per one U.S. dollar except in certain specified areas. All rates quoted are indicative. They are not based on, and are not intended to be used as a basis for,

Bank of America, Economics Dept., London Eurodoliar Libor as of September 3, at 11.00 a.m. 3 months: 513 6 months: 513

VALUE OF

ECU=\$U\$1.03137 SDR1-\$U\$1.2121

COUNTRY	CURRENCY	DOLLAR	COUNTRY	CURRENCY	DOLLAR ANTOE OF	COUNTRY	CURRENCY	DOLLAR
Afginnistan	Afghael (a)	50,60	Greece	Drackesa	233.60	Pagua Now Cultura	Kina	0.9794
Alice	Lek	6.7649	Greece	Canalata Kirone	7499		(المستعل المحا	210.00
Algeria	Distr	4.63	Contracts	E. Caribbean \$	2.70	Paraguay	(Cuarani (d)	619.50
Andorra	French Franc	6.673	Chadalosps	Franc	6.673	l 	اما الما	13.95
Argtin	lSpunish Peneta Kanasza	133.25 29.918	G1241	U.S. \$ (Quetzel (s)	1.00	Philippines	Peso	20,58
	E. Caribbean S	27,710		(Questain (b. 1)	2.969	Poland	N.Z. Dollar Zloty (g) (fd)	20606
Arcestina	Austral (S)	270		Peso	170,479	Portogal	. Escudo	200,00 245,50
Aribs	Florin	1.80	A	(Frant	340.00	Poerto Rico	113.5	100
<u> </u>	Dellar	1.6372	Secure vehance	Liferace (D)	300.00	Q=1=	Rivel	3,642
Austria	SchiBlag Portuguese Escucio	1A33 1A5.50	Gness	Dollar	4,3094	Rounton (sie de la	French Press	6.673
Attrit	Portuguisse Escedo Dollar	1.00	Haiti	Countie	5.00	Recents	(Leo (c)	433
Palento	Distance Primary	03769	Hoeckergs Republic	(Lempira	2.00	J		10.67
Salgaric Islands	Special Pereta	133.25	V	(Lempira GD	2.00	Response	Franc	84.7373
Bangladask	Taka	30.30	Hong Kong	Dellar Forist	7.801 43.242	St. Christopher	E. Caribban \$	2.70
Sertatos	Dollar	2,0113				St. Helege	Poped*	1.495
Zaighus	{Franc (d)	213	ichted	Kronz	40.46 12.59	St. Leds	E. Caribbean \$	2.70 6.673
Beltze	l Franc (1) Dollar	42.595 2.00	india	Rupee Rupiah	1133.00	St. Plerre	French Franc E. Carthoon \$	6.673
Seep	C.F.A. Franc	333.65	line	Rist (a)	75,2498	Same (Medera)	Tale	2.70 2.278
Bernett	Dellar	100		Diezr	0.3209	Samon (Western) Samon (US)	US S	166
Chaire	Dollar Nasitrum	12.59	ires Republic	Past*	1,352	San MarinoSão Tomé & Principe DR	Italiae Lie	1405.00
Bolhia	(Peso (d)	1912000.00		New States	1.485	São Tomé & Principe DR	Dobra	37,3319
	(Pese (D	1925000.00	Italy	Lim	2405.00	j Şwidi Arable	Riyal C.F.A. Franc	3.751
Botsware	Pala Comple (a)	2.0088 13.84		Doller (e)	3.45	Senegal		333.65
Brazil	Cremie (c) Dellar	2155	Japan	Yes Diese	155.20	Sterro Leone	Rupes Lesse	5.9686 29.00
Salgaria	Lee	6.926			0.3299	Singapore	Dellar	2155
Burkisa Faso	C.F.A. France	333.65	Kan pechas	Rief Skilling	84	Singapore Science Islands Scenal Republic	Dollar	1.8034
Berne	Kgant France	7.0196	Kiribati	Sielang Australiae Doğler	15.8444 1,6372	Somaii Republic	Shiling .	36.00
Barned		101,229	Kores (North)	Wes	0.94	South Africa	I NORGE CES	4.7039
Carnerous Rp	C.F.A. Franc Dollar	336.65	Korea (South)	Was	8793 0		Rand (c) Peseta	23474
Canada	Spanish Pessia	1387	Knat	Disar	0.2919	Spain	read	133.25
Cape Verde Islands	Epodo	\$1.26/98	Lacs Pies D Rep	KGo	35.00	North Africa	Special: Fessia	333.25
Carroon Islands	Dollar	0.835	Lebecce	Private	40.85	North Africa \$ri junita	Ruper	28.22
Caustral Africa Res	C.F.A. Press	333.65		Madeli	2,3474		(Pound (n)	2.45
<u> </u>	C.F.A. Franc	333.65	Liberia	Dallar	1.00	\$1100 Napabile	Pound (k)	295
0.5e	Peso (a)	194.32	Litra	Dieser Swiss Franc	0.3173 1.646	e	(Pound (()) Guilder	4.00
	Recorbibl Ysee Peso (a)	3.704	Littleribourg	Laurenbourte Franc	215	Surinen	Libonesi Libonesi	1.785 2.3474
Colombia	CEA Enter	200.92 333.65			_	Sweden		6,586
Congo People's Rep. of	C.F.A. Franc	233.65	Harro	Pataca.	83092	Sweden	Franc	1.646
Costa Rica	Colos	56.675	Madagascar Dens. Rep	rrang Portuguent Estado	731.98 1/5.90	Seria	Popad (a)	1.646 3.925
Cote d'Ivaire	C.F.A. Presc	333.65	Madeira	Purcha Cours	2005			
<u> </u>	Pese	0.8679	Maint	Kwacia Rioggit Raffysa	2,595	Telesia Terrania	SMIRE	36.93 42.00
Cromes	Pound*	1.9984	Malaysia	Refress	7.00	Thatland Togo Republic	Baht .	26.07
Czechedowkie	Khruse (s)	5.85		C.F.A. France	333.65	Toon Republic	C.F.A. Franc	333.65
Descript	Krone	7.699	Waita	Lim*	26631	Tenga İslamia	Paranga	1.6372
Official Rep. of	Franc	177.00		Franc	6.673	Trinided & Tobest	(Dollar	2,409
Dominica	E' CALEGORY 2	2.70	Mauritania	Cognitie	74.80		(b)	3.60
Dominican Republic	POD	2.81 2.81		Report .	12.85 736.50	Tookia	Dicar (2)	0.84
_	Cress CD	166.50	Mentico	(Peso (d) (Peso (e)	690.70	Throng	Ling	690.71
Econdor	James (D. (S)	164.75	41	French Franc	6673	Toris & Calcus Islands		1.00
	(Posed (a)	0.70	Mignelos	French Franc	6.673	Tierale	Australian Dollar	1.6372
Egyt	(Pound (b)	135	Managia	Tugrik (a)	3395	Uganta	Shilling (D (A)	1388.80
		500	Mongalia	E. Cartistana S	2.70	United Arab Emirates	Dirkans	3.673 1.493
، مستسمعه، ۱۳۳۸ و ۲	Codon (d)	5.00	Morocco	Diciona	8.76	United Kingdom	Pound Sterlings	1.493
Equatorial Salves	C.F.A. FIXES	333.65	Mozambique	Mesical	40.00	Urogosy	Peso (m) Rouble	160.75
Statements .	Rive (a)	2.0663	Nambla	S. A. Raed	2.3474			0.6754
Facroc islands	Danish Kirose	7.599	Kauru Istanda	Australian Dollar	1,6372	Vpojeta	Vacus	90.7516
Paeroe islands	Power's	1.495			20.50	Votices	Ling	1405.00
F#	Dollar	1,1717	Nepal	Ropes Galider	2.298		(Bolher (s)	7. 5 0
Fi. 1994	Marida.	4.886	Nutherlands Antilles	Guilder	1.50	Venezzeiz	Bolhar (a) (1)	7.50
France	Franc	6.673	New Zestant	Dollar	2.0606		Boline (a)	19.695
French C'ty in Africa	Carro	333.65 6.673		Cordoba	70.00	Vietram	Dong US S	11,7565
French Galana French Pacific Inlands	CER From	121.527	Nicaragua	Contoba (d)	975.00	Virgin istants (US)	USS	1.00
Fahan	AFA Date			C.F.A. Fame	353.65			1.00
Cambia	GARA TIME	33,45	Niceria	Maire 	1.3294	Yesters	Rist	10.50
Coretany (Fact)	Columb (v)	7.58 2.037	Norety	Krose	7.299	Yesses POR	Distar Distar	0.343
		2037	Omen Sultreads of	<u> Stal</u>	0.385	Yugoslavia	Diear Zako	395.50
		90.00	Pakistan	Repet Balbos	26.930	Zame repares	Zaipre Kwasaka	62.00
Cibrator	Pound*	1,499	Paga	Balbos	1.00	Zinishue	Political Delian	6.7659
					<u> </u>			1,6773
da i	Not evalishe. (m) l	Hariot rate 40.5	S. dollars per National Cu	rrency unit. (a)	Freemarket ess	trai tent. (a) Offi	de rate (d) Figure	(c)

Freemarket. (a) Controlled. (D Financial rate. (g) Preferential rates. (b) Non-emerted imports. (a) Official rate. (b) Financial rate. (c) Preferential rates. (b) Non-emerted imports. (ii) Financial rate. (b) Public Transaction Rate. (c) Preferry Rate. (l) Venezuetz For debts incurred prior to February 1983.

(a) Prestanting 1982. (c) Venezuetz For debts incurred prior to February 1983. (d) Upande, 24 Aug Sc. Shifting. Single exchange rate to-introduced. (d) Argentine, 1 Sep Sc. Asstral dynamical by approx. 2.89%. (d) Policel. 1

(e) Controlled. (d) Financial rate. (e) Preferential imports. (ii) Financial by 1986. (iii) Financial by 1986.

| CAMS | Building Societies | 1084 | 1149 | 1296 | 1084 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 | 1149 |

10.60 10.32 10.11 10.11 10.05 10.07 10.07 10.03 9.97 9.94 9.96 10.09

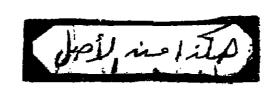
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12074 51 01074 51 112 44 9.75 \$1 12.44 3.0 (2074) 2.7 12.55 -12.55 -12.55 -12.55 -12.55 -12.55 -12.55 -13.0 4.3 17.75 1.2 13.0 4.3

LONDON SHARE SERVICE

Financial Times Friday September 5 1986

| 200 | 12 | 200 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 |



Protection Prince Prince Prince Supplementary 5 1900 | The state of the | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 Market State | 1986 | Stack | Price | Stack REGIONAL & IRISH STOCKS

The following is a selection of Regional and Irrah stocks, the latter being quoted so Irrih carrency

Athony bur 20p 60 +1 Fin 13% 97/02 255 -20

Fining in Rose II 60 +1 Arnests 255 -20

Fining in Rose II 60 +1 Arnests 255 -20

Fining in Rose II 60 +1 Arnests 255 -20

Fining in Rose II 73 +1 Rose 155 +5 Rose 110 -5 "Recent issues" and "Rights" Page 39
(International Edition Page 35)
This service is available to every Company dealt in on Stock Exchanges throughout the Belley Kingdon for a ten of \$225 per

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100mmのでは、100mm

Late-summer equity run continues in contrast to drab Gilt trend

The late-summer surge in Lon- to 210p and National Bank don equities showed little sign Australia firmed 6 to 235p. Else-of abaring of abating yesterday. Since it began nearly four weeks ago, the sustained run has been broken only on two occasions and each

optimism over a successful Trustee Savings Bank share flotation with the prospect of the larger British Gas issue to

wan Streets neatmer per-formance on Wednesday, which enabled the Dow Jones index to regain almost 11 points, sent leading stocks off in fine style yesterday. Institutional buyers were soon active but were not prepared to chase prices to were soon active out were not prepared to chase prices too high and interest switched to secondary equities. Many achieved useful gains, usually at the expense of bine chips which consequently lost some of their sparkle.

Buzzl's call for around £197.4m cash, which is to be raised by a rights issue, caused hardly a ripple in the Paper/Printings sector, although the Bunzl share price reacted. Allied-Lyons were another loser on the day following suggestions that Elder IXL could direct its attentions to Hanson Trust's Courage brewing atm. On Wednesday, the Monopolies Commission gave Elders the goahead to resume its bid for Allied-Lyons but doubts have emerged whether it will, especially if Allied clinches a deal with Olympia and York regarding control of Hiram Walker's wine and sportt businesses. Bunzl's call for around £197.4m wine and spirit businesses.

Illustrating the overall equity trend, the FT-SE 100 share index fluctuated between 1,675.6 and 1,682.2 before closing a net 9.6 higher at 1680.3. The FT Ordinary share index ended 9.7 up at 1334.3.

The lack of further overseas selling was a relief for Giltedged investors and the market initially regained some composure. Sterling's resumed rise against the dollar prompted light demand and the tone held until the after-hours' trade. Renewed sales aroused by falling Gilt futures then put dealers under pressure and longer materities wilted in sensitive trading to close with fresh falls ranging to j.

Banks easier

EQUITY GROUPS

& SUB-SECTIONS

Other Industrial Materials (22).
CONSUMER GROUP (182)
Brewers and Distillers (22)
Food Manufacturing (22)
Food Retailing (15)

Publishing & Printing (1:4) ...
Packaging and Paper (1:4) ...
Stores (38) ...
Textiles (17) ...
Tobaccos (2)

enticals (20).

Oli & Gas (17) ...

Insurance (Life) (9)
Insurance (Corposite) (7)
Insurance (Corposite) (8)
Insurance (Brokers) (8)
Merchant Banks (12)

lavestment Trusts (101) ... Mining Finance (2) Overseas Traders (14) ALL-SHARE INDEX (734)

FIXED INTEREST

Day's change %

+0.02

-0.24 | 140.49

-0.34 147.91

-0.01 163.06

-817 136.52

-0.07 113.59 117.63 +0.82 117.01

120.23 +0.01 |120.22 | -

85.29 +8.01 85.29

116.37

149.15

147.34

134.55

113.52

116.37

Banks (7).

1 5 years.

2 5-15 years

3 Over 15 years

All stocks.

7 Over 5 years.

5 years.

8 All stacks.

where, Standard Chartered con-tinued to attract speculative support and put on 7 to 732p, a two-day advance of 24.

only on two occasions and each time the small closing losses that the small closing losses token corrections of the trend.

The build-up of investment confidence originated from hopes 12 to 867p. Sun Alliance, still reflecting the interiam profits move towards lower interest reflecting the interiam profits the tone has reflected increasing brokers displayed a late dull optimism over a successful feature in Dereck Bryant which fell 50 to 230p following the opon fell 50 to 230p following the poor half-year figures.

Allied-Lyons apart, Breweries displayed gains across the board. Bass put on 10 more to 785p, while Scottish and Newcastle rose 4 to 190p, as did Whithread A, to 282p. Regionals mirrored the leaders with Greenall Whitley 7 up at 177p, after 179p, and Greene King 10 to the good at 240p.

Early attention in the Building sector was focused on Blue Circle which advanced to 578p sector was focused on Bine Circle which advanced to 578p on vague takeover rumours before easing back on profittaking to close unchanged on the day at 568p. Rugby Portland Cement, boosted on Wednesday by talk of a broker's circular, touched 162p prior to closing a penny higher at 161p, a two-day gain of 9. Buying ahead of the respective interim results due shortly lifted Costain 12 to 588p and George Wimpey 4 to 220p, but profit-taking in the wake of the excellent half-year figures left Wilson (Connolly) 10 lower at 270p. Elsewhere, Derek Croach lost 18 to 165p following the slightly disappointing half-timer, but Helical Bar revived strongly and closed 16 up at a peak of 260p. BB & EA rose 35 to 205p in a restricted market, while Ibstock Johnsen gained 10 to 198p as takeover rumours revived.

Chemicals highlighted Wardle Starzer which attracted early

Chemicals highlighted Wardle Storeys which attracted early demand on thoughts that the shares were set to break the 400p barrier; however, the price, after advancing to 390p, eased back on profit-taking to close 15 higher on balance at 375p. A revival of bid rumours helped Foseco move up 6 to 249p, while renewed demand left Allied Colloids 5 up at 230p.

Leading High Street Retailers made modest progress in

Leading High Street Retailers made modest progress in subdued trading. Burton touched 316p before settling only 2 up on balance at 314p. Similar conditions prevailed among secondary counters, although buyers returned for Ward White, finally 8 higher at 374p. Bid chatter lifted Time Products 1; more to 741p, but Goldsmiths, up to a new peak of 238p Banks easier

Business in the Banking sector contracted further and the major clearers gave modest 1 more to 741p, but Geldsmiths, ground in the face of scrappy selling. Barclays slipped 5 to 507p, as did Iloyds, to 455p. NattWest were finally 3 off a 555p and Midland a comple of pence cheaper at 568p. Australian banks improved afresh on domestic influences. ANZ gained 9 to 225p while Westpac rose 10

FT-ACTUARIES SHARE INDICES

the Institute of Actuaries and the Faculty of Actuaries

8.53 8.51 7.38

Day's Change

+0.5 +0.6 +1.8

401.42

1997.22 1690.65 932.86 2625.15

491.54 923.32 547.98 1181.48

795.92 +0.2 997.30 -e.5 248.43 +0.3 1550.18 +0.9 800.52 --1098.94 +0.7

909.99 +8.6 622.27 679.69 910.26

+0.3

ज जी. 1986 10 date

7.74

917

9.51

8.90

234

2.28

7.97

14 inflat'n rate 10%

8.26

8.64

495.17 1195.15 344.29 784.24 354.05 812.18

Thursday September 4 1986

Gross Dir. Vield% (ACT at 29%)

5.75 4.13 4.38 4.22 4.06 5.52 4.69 2.85 5.47 6.51

1.33 14.93 3.50 14.82 3.50 18.50 4.04 16.85

13.65 12.91. 13.87

13.22 19.84 16.79 13.43

13.49 23.14 22.37 17.32 17.41 14.96 21.71

22.71 12.33 8.70 15.14 13.84 16.16 16.72 12.76 19.66

 4/7
 13.55
 6.55
 382.71
 33.168
 203.3
 27.3×

 2,83
 —
 11.86
 809.79
 81.401
 811.86
 590.23

 5,47
 9.48
 6.11
 292.26
 233.82
 299.84
 252.65

 6.51
 18.49
 24.15
 659.49
 652.49
 652.16
 683.43

 3.84
 —
 16.51
 823.75
 821.94
 822.97
 640.56

18.37 18.42

5 yrs... Over 5 yrs... 5 yrs... Over 5 yrs...

	Sept	Sept	Sept	Sept	Any	700	19	86	Since Co	mplitation
 .	4	3	2	1	29	290	High	Low	High	Low
Covernment Secs	88.76	86.96	89.60	89.72	89.64	83.60	94.52	80.39	127A	49.18
Fluid Interest	94.83	94.81	95.12	95.17	95.62		(1840)	(20/1)	(9/1/35)	C01/75
			~	, ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	77.02	86.45	97.68	86.55 (23/II)	105.4	50.53
Ordinary T	1,334.3	1,324.6	1,320.0	1,322.7	1,311.9	1003.3	1425.9	1.0943	1,425.9	(3/1/75 49.4
Gold Misss	281.2	283.5	268.0	262.0			(3/4)	(14/1)	(3/486)	(26/6/40)
		-	2000	بعص	249,4	309.5	357.0 (27/1)	185.7 13871	734.7	45.5
Ord. Div. Yield	4.14	4.18	4.38	4.27	4.21	4.69	VEITE .		TIVITY	(26/1077)
Earnings Yld.%(fell)	9.52	9.57	9.62	9.64	9.73	31.55		ices	Sept. 3	
P/E Ratio (net) (*)	12.90	12.83	12.77	12.73	12.62	30.72	Gilt Edged		135.7	Sept. 2
Total Bargaios (Est)	21,411	22,057	21,683	24,886	21,416	22,956	Equity Barry	<u> </u>	144 <i>a</i>	90.3 148.9
Spring Ternover Em	-	583.92	520.22	551.86	878.48	475.30	Equity Valo 5-Day Aver	? 262	11802	148.9 3051.5
quity Bargalas	j	22,393	22,981	25,863	27,362	20,002	Gilk Edged !	Niranie:	104.6	102.1
Shires Traded (mi)		253.8	237.5	267.7	354.1	257.9	Equity Barg Equity Valu	端写 t	1566	1552 12763
♥ Opening	10 a.m.	11 a		Noon) <u>[</u>	===				=
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Basis 100 Gort.		726. Fixed	~2.7.0. let_1929	-	1786 A.	u	****			

3 up at 89p, Alexon, 6 dearer at 188p, and Allebone, 5 higher at 55p.

Lambert Howarth advanced 14 to 195p following the favourable reception afforded the first-half figures. Garnar Booth rose 9 to 154p in sympathy.

Amstrad ease afresh

Further profit-taking following the launch of its new computers left Amstrad 6 cheaper at 138p, left Amstrad 6 cheaper at 138p, after 134p at one stage. In contrast, BSR came to life with a rise of 11 to 85p, while Logica, still benefiting from the Star Wars contract, improved 8 further to 225p. Cray Electronics were supported and put on a similar amount to 330p, while Wholesale Fittings gained 10 more to 315p in a limited market. Apart from Plessey, 4 better at 186p, leading Electricals showed little alteration.

Among the Engineering leaders, Vickers, expected to

little alteration.

Among the Engineering leaders, Vickers, expected to announce interim figures at the end of the month, were supported and put on 10 to 425p. Hawker were good at 533p, up 12, while GKN continued the recent recovery movement to close 7 dearer at 292p. Half-yearly figures in line with market expectations left Babcock 4 cheaper at 185p. Glynwed firmed 6 to 316p on occasional demand and Crown House rose 5 to 213p. APV continued to make headway awaiting next Wednesday's interim statement and advanced 10 more to 600p. Revived speculative demand left Downibrae 5 better at 70p, while W. A. Tyzack improved 2 more to 52p following news that Gild Investments had acquired a 24.9 per cent stake in the company. Satisfactory half-year figures prompted a rise of 5 to 78n in Harread. attack in the company, Satisfac-fory half-year figures prompted a rise of 5 to 78p in Linread. After early progress to 185p on the better-than-expected interim results and confident statement, Cadbury Schweppes

iniez No.

9.95 10.14 10.15 10.71 10.51 10.16 10.66 10.31

9.77

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3.45 3.44 2.17 3.28

10.13

18.37 18.42

10.82 10.82 12.18

dearer in sympathy. Elsewhere in the Food sector. Unigate attracted support at 310p, up 5 and Hazlewood gained 8 to 148p, Retailers continued firmly with Teseo well to the fore at 415p, up 5 and J. Sainsbury 2 harder at a 1985 peak of 418p, the latter helped by a broker's recommendation. Argyll added 3 more at a 1986 peak of 418p, the latter helped by a broker's recommendation. Argyll added 3 more to 338p, while Bejam revived on takeover hopes and touched 170p prior to closing 2 firmer at 165p.

Initial support for the Hotel leaders subsequently petered out and prices drifted back to close lower on balance. Ladbroke, after early progress to 373p, drifted off to close a penny easier at 367p. Grand Metropolitan ended 2 cheaper at 395p. Elsewhere, Aberdeen Steak Houses encountered a flurry of speculative support and, in a restricted market, gained 11 to 46p.

Cookson good

Cookson good

Saguar advanted 12 to 28th before at 148p, up to London; the company has major sales supportation in London; the company has major sales promotion in Japan headed by the new XJ40 saloon which is due to make its debut at next month's Birmingham Motor Show. Components were irregular. Arbitrageurs continued for Account settlement only and those non-assented to settled 10 higher at 247p, after settled 10 higher at 247p, aft

Cookson responded to betterthan-expected interim figures by
rising to 5130 before settling
a little below the day's best with
a gain of 20 on balance at 510p.
Comment suggesting a stake
had recently changed hands
prompted further buying of
Crest Nicholson which ended
10 dearer at 164p, while Bunzl
bid hopes directed buyers
attentions to Transport Development, 10 to the good at 179p.
Demand in front of forthcoming
trading statements provided several noteworthy movements.

Bowater were prominent at 333p, up 11, after 335p, while Wm Baird rose 20 to 370p and gains of 10 were recorded in Pearson, 540p, and Fisons, 648p. Portals, a rising market of late, eased 5 to 325p after the interim figures, but Stat-Pins, still reflecting the good half-year results, improved 7 further to 340p. BET continued to make headway at 423p, up 8, while Wolseley firmed 10 more to 580p. Dealings were temporarily suspended in Grovebell at 5p, down 2. Among the miscellaneous industrial leaders, Reed International encountered good buying interest and touched 272p before closing well below the best at 265p, up 13. Glaze, still reflecting a broker's circular, put on † more to £10‡, while Metal Box were noteworthy for a gain of 10 at 190p.

In the Leisure sector. GRA

renewed strength in P & O
Deferred which touched 550p
before settling 5 up at 546p, a
two-day advance of 28. Ocean Transport, currently in receipt of an intimated and unwelcome bid from Mr Ron Brierley's IEP (UK), hardened 3 to a 1986 peak of 240p. Textiles featured Lister which rose 6 to 125p following a Press mention. Occasional speculative support lifted Textured Jersey a couple of pence more to 152p, and Illingworth Morris 4 to 126p.

MEPC provided the only

Shell at 1986 high

In the Leisure sector, GRA touched 60p before easing back to close unchanged at 57p following details of the proposed sale of Slough Stadium—subject to planning permission—to the A sedate early performance by the leading oil shares was trans-formed by persistent good buy-ing interest late in the day following renewed strength in oil prices and initial firmness on

NEW HIGHS AND LOWS FOR 1986

NEW HIGHS (118) NEW HIGHS (118)
CANADIANS (1). BANKS (3). BUILDINGS (1). CHEMICALS (2). STORES
(5). ELECTRICALS (4). ENGINEERING
(5). FOODS (4). INDUSTRIALS (18).
INSURANCE (1). LEISURE (1).
MOTIONS (4). REWISPAPERS (1).
PAPER (1). PIAPERTY (3). SHIPPING(2). TEXTILES (4). TRUSTS (31). OILS
(7). OVERSEAS TRADERS (1). MINES
(10).

BRITISH FUNDS (1) Exch. 14pc_1986 BRITISH FUNDS (1) Exch. 14pc 1986.
INDUSTRIALS (5) Fogarty, French
(Thos.), Grovabeli, Ropner, Do. A.
LEISURE (2) Television Services,
Trillon. PROPERTY (1) Intl. Inc. Prop.
TRUSTS (1) Camblum Venture Capital.
MUNES (2) Colby Resources, McFinley
Red Late.

BASE LEN	DING RATES	
%	_	%
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Ailied Dunbar & Co 19	Financial & Gen. Sec	18
Allied Irish Bank 10	First Nat. Fin. Corp	11
American Express Bk 19	First Nat. Sec. Ltd	11
Amro Bank 10	Robert Fleming & Co	19
Henry Ansbacher 19	Robert Fraser & Ptrs Grindlays Bank	.11
Associates Cap Corp 10	Guinness Mahon	in.
Banco de Bilhao 10	• Vembres Beek	10
Bank Hapoalim 19	Hambros Bank Heritable & Gen. Trust	12
Bank Leumi (UK) 18	• Hill Samuel	10
Bank Credit & Comm 19	C. Hoare & Co	18
Bank of Cyprus 19	Hongkong & Shanghai	
Bank of Ireland 19	Knowsley & Co. Ltd.	1814
Bank of India 19	Lloyds Bank	1072
Bank of Scotland 19	Mase Westpac Ltd.	18
Banque Belge Ltd	Meghraj & Sons Ltd	10
Barclays Bank 10 Benchmark Trust Ltd 10	Midland Rank	10
Bencomark I Tust Lid 19	● Morden Grenfell	16
Beneficial Trust Ltd	Mount Credit Corp. Ltd	ĩ
Berliner Bank AG	National Bk. of Kuwait	18
Brown Shipley 19	National Girobank	10
CL Bank Nederland 10	National Westminster	10
Canada Permanent	Northern Bank Ltd	78
Cayzer Ltd 19	Norwich Gen. Trust	10
Cedar Holdings	PK Finans. Intl (UK)	14%
Charterhouse Bank	Provincial Trust Ltd	77 °
Citibank NA	R. Raphael & Sons	10
Citibank Sevines \$18%	Roxburghe Guarantee	11
City Merchants Bank 19	Royal Bank of Scotland	16
Clydesdale Bank 19	Royal Trust Co. Canada	ī
Comm. Bk. N. East 19	Standard Chartered	7A
Consolidated Credits 16	Trustee Savings Bank	18
Continental Trust Ltd 10	UDT Mortgage Express 1	160
Co-operative Bank *18	United Bank of Kuwait.	18
The Cyprus Popular Bk 10	United Mizrahl Bank	18
Duncan Lawrie 19	Westpac Banking Corp	10
E. T. Trust 11	Whiteaway Laidlaw	1414 1414
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Equatorial Tet Corp. ple 18 • Members of the Accepting Houses C		_

added 7 at 670p. Britell, a firm market on Wednesday on the announcement of 750 redundancies, rose a further 5 to 143p. Burmah hardened a few pence to 408p following the acquisition for 533m of Columbia Cement of Freeport, America's largest supplier of contact adhesives. Enterprise Oil attracted good support on talk of a broker's "buy" circular, and settled 4 up at 140p. after a 1986 high of 142p. IC Gas. a firm market in recent weeks, came under sustained pressure from profit-taking and diped to 473p before rallying to end the day a net 12 down at 473p. Many of the smaller UK issues came in for speculative support, notably Charterhall, 25p. Severeign, 34p, Fict, 40p. and Berkeley, 33p, all of which showed gains of around 2 to 3. Bryson Oil and Gas highlighted Irish stocks and jumped 10 more to 50p on further consideration of the cash injection by Charterhouse Investment Management and Mr D. H. Caspary.

South African mining issues turned easier for the first time

and Mr D. H. Caspary.

South African mining issues turned easier for the first time in six trading days following reports of renewed outbreaks of civil unrest in the Soweto township, a pause in the recent advance by precious metals and a firmer trend in sterling against the dollar.

r eased back to 181p before US
r demand left the close 4 higher
on balance at 182p. Rowniree
deflactintosh were a few pence
e dearer in sympathy. Elsewhere
if in the Food sector. Unigate
attracted support at 310p, up 5
and Hazlewood gained 8 to 148p.
Retailers continued firmly with
Tesce well to the fore at 415p,
up 5 and J. Sainsbury 2 harder
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Initial support for the Hotel
Leaders subsequently petered
out and prices drifted back to
close lower on balance.
Ladhroke, after early progress
to 373p, drifted off to close a
Metropolitian ended 2 cheaper

Tesce Metropolitian ended 2 cheaper

The dollar.

Gold and platinum gave
ground, mirroring the downturn
in New York overnight, but
closed above the day's lowest
levels. Bullion, down to \$401.5
to 157p on bid hopes.

Jagnar advanced 12 to 540p
as overnight demand from the
US stimulated support action in
London; the company has
amounced plans to launch a
mator sales promotion in Japan
metaded by the new X140 saloon
which is due to make its debut
at next month's Birmingham
for much of the day before
the appearance of American
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to golds. Vaal Reefs were particularly weak in the top-quality
of trading Winkelhaak moved
out and prices drifted back to
to close lower on balance.

fall to 281.2.

In Platinums falls of 15 were common to Inspala, 785p, and Rustenburg, 785p, while diamond producer De Beers fell back to 475p prior to closing a net 8 off at 480p. Consolidated Gold Fleids attracted profit-taking and retreated sharply to 529p in midsession before picking up to end the day only 3 off on balance at 539p. Bio Tinto-Zinc hardened a few pence to 624p helped by the recent strength of copper prices.

Golds continued to feature in Golds continued to feature in a generally buoyant Australian mining sector. Of the leaders, gains in the region of 30 were common to Central Norseman, 490p. and Gold Mines of Kalgoorlie, 495p, while Sons of Gwalia added 20 to a year's high of 282p.

MEPC provided the only noteworthy movement among leading Properties, rising 5 more to 350p amid persistent takeover rumours. Elsewhere, Mariborough gained 6 to 94p as the company confirmed that it is in talks with LD. & S. Rivlin which may lead to a recommended offer; Rivlin, after initial progress to 190p, slipped back to close unchanged at 180p; Regenerest attracted buyers on news that the company has an option on a joint venture agreement for the development of Wolverhampton Racecourse and closed 3 higher at 33p. Stewart Nairn revived twith a gain of a penny at 184p. Continued satisfaction with the much better-than-anticipa-Traded - Option: volume : contimed to improve with 20,992 contracts transacted — made up of 14,156 calls and 5,936 puts. Activity was well distributed throughout with current favourite Hanses Trust again in the limelight with 1,674 calls and 373 puts done. Dealers reported a lively business in EP and Shell the much better-than-anticipalively business in BP and Shell which attracted 641 and 960 calls respectively; Shell also contributed 881 puts. Cadbury Schweppes recorded 974 calls and 210 puts in the wake of the interim figures,

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TRADITIONAL OPTIONS

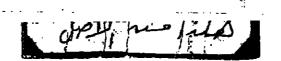
For Nolton Estates, Checkpoint Settle: Europe, Broad Street, North ment : Kaigurii, Stewart Naira, Glan-Dec 15: Redd Lawrence, Pavion, Phicom, Dec 15: Woodhouse and Rixson, Hestair, The Onl. Vinderwands Revitle, Supher Port Deal Declara Settle Ings ings tion ment and and 18 Sept 5 Nov 29 Dec 12 Sept 22 Oct 3 Dec 18 Dec 25 For rate indications see end of the section of the Sarasota, Hillsdown, English Sarasota, Hillsdown, English China Cays, Freshbake, Audio-stronic, Davy and Bristol Channel Strip Bepairers. No puts were reported but double options were transacted in North Kalguril, Pressac, United Spring and Money was given for the call
Money was given for the call
of Amskrad, Thomas Marshall
(Loxley), Driefontein, Free State
Gold, Coursy, West Coast,
Tuskar, Barker and Dobood.

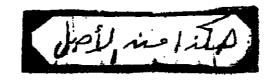
Stock AE	Closing price 247 138 223 182 510 539	Stack Cookson	Closing	Day's change +20 -18 + 6 +13 +14 +16
		ACTIVE STOC		

edard Chrese Gold Fds.	19 19 16 15	725 542 £10 £11 135 541	+ 8 +23	Stock 8P Laports Ind Amstrad Pilkington 172 Ultramar	Br. 13 Br. 12 Br. 12 12	663 405 144 433 619 155	Dey's change + B + 17 - 6 + 12 + 12 + 7
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18728	50	64	ż
(1) (1) (1) (1) (1) (1) (1) (1) (1) (1)	63	77	Ś
Totals	803	420	7,56
Above average activity was noted in the follow	wing stocks	yesterde	<i>,</i>

LONDON TRADER OFFICE																
LONDON TRADED OPTIONS																
CpGqa		Oct.		-3 - 4=	. Oci			٠	illen		No	CALL		No	PUT	<u> </u>
Allied Lyens . (*336)	300 390 360	127	55 57 28	47 29	4 19 27	15	10 20 33	Midland (*572)	Bk	500 550 600	87 47 20	105 65 30	117 80 45	4 15	7 20 42	岩
8.P. (%66)	600 650 700	73. 37 18	102 49 39	115 78 90	18 15	12 27 53	18 37 66	P. & 0 (*546)	•	500 550 600	22.8	70 40	85 53	9 22 60	33	15
Cost, Gold (*59%)	420 460 500 550	121 S	192 97 75	142 197 45	2 5 15	6 17 27	11 20 37	(*286)		160 180 200	12 17 7	40 26 15	44 12 18	2 8 20	11 22	8 24 24
Courtecids (*253)	260 280 300	28	90 27 17	48 36	5 12 22	30 3 14 25	57 12 21	R.T.Z. (*626)	- [550 600 659 700	77 48 25 10,	92 60 38 20	82 57	9257 97	20 75 110	50 80
Com. Union (*304)	280 300 330	28 12 2	37 22 12	# # #	13	6 15 33	120	Vani Red (*\$71)		50 70 80	13 77 ₂ 3	15	1772	3	49	
Cable & Wire (*537)	300 325 350	50 27 9	22 25	72 55 35	13	3 13 27	11 20 20 20 20 20 20 20 20 20 20 20 20 20	Tr. 121/%] (%108)		106 108 110	24. 12. 0.2	2		9	2	27,
Distillers (*736)	388 88	178 125 78	E	Ē	172	_	Ē	(-2170) 1-117-2- G	M07	114 118 120 122	1	33	44. 342	725	75	-
EEC. (*150	190 200	34	22 10	28	ıŝ	å	24		iae .	_	5ep	Dec	Na.	Sep	Dec	Nar
Grand Met. (*396)	360 382 390	25 25	5 55 	- 65 47	38 -	7	n n	Beechnes (%E)E)		360 370 420 460	12 Kg 12 5	73 48 30 15	78 95 96 98	77 15 47	10 26	8 15 30 35
LCT TCT	1000 1000	15 105 60	27 140 97	35 155 115	<u>5</u>	20 37 15 27	23 40 22 37	Boots (*225)		200 220 240	23 9 2	32 21 22	40 27 13	20 20	12 12 25	15
Land Sec. (*332)	300 330	37 14	65 45 25	52 55	37 2 7	4	5 13	6TR (*320)		300 307 390	38 —	33	48 	6	13	15
Maris & Span. (*217)	360 180 200	5 41 22	13 46 30	20 20 35 21	30 22 4	32 2 7	35	(*785)		700 750 800	90 46 11	115 75 36	125 85 58	1 8 25	7 17 30	N N N N
Shall Traus. (*925)	850 900	197 67 35	127 92 60	140 108	10 5 15	14 10 20	37 20 37	Blee Chris	`_	500 550 600	73	90 48 Z	485	35 30 35	20 35	19 23 46
Trafalger House C*2900	950 280 320 330	25 25 23 3	36 22 8	80 43 29	8 14 22	50 14 21 23	17 24	(*\$7.20)		600 650 700 750	155 55 55 30	20 120 120	170 136 200	12 30 45	17 22 50	36 45 45
Option		Nev	line.	Jene	Nov	138 Mar		(*206) Dinses	Т	330 360	58 26	44 24	78 52 52	1½ 5 18	4 8	12
(*221)	200 218 220 236	20 11	29	45 122	5 11 22	8 15	21	G(0) ("212)	1	390 260 260 300	10 25 18	24 48 34 19	交 55 43 丸	13 12 5 14	20 10 17	8 13 24 44
Option	240	Her.	17 Feb.		Nov	33. Feb.	- Nay	Glass (*1042)	十	900 950	14, 195 710	16 185 140	28 175	5	20 20 20	
9rk Acro (=501)	460 500 550	50 30 12	# 9		7 30 58	286	49	Harra		7360 7360 7360 7360	57 14	105 80 60	100	15 25 70	2000	\$ 77 —
8AT leds (~423)	390 420 460	45 25 8	60 35 20	55 45 AB	8 17 45	13	17 30 50	(*193)		岩岩岩绿	CHAS	Q 25	- 67 19	1	- 252	- 59
Barches (*507)	440 500 550	92 11	75 47 28	1888 1	5 17 50	8 25 52	13 32 57	Japan (~540)	\dagger	260 460 500 550	4 22 21 11		105	1 1	7 15 15	12
Brit, Telecom (*198)	180 200 200	13		#2 27 18		15 25	19 28 30	Them EMI (*507)	+	600	2		22	25 65 1 20	70	75
Cadhay Schrappes (*182)	160 180 200	N9 4	_7.	25 -		7 13 25	8 15		4	420 420 450 450 450	25 18 2			47	¥ 90	<u> </u>
Coloress (*363)	900 330 360	33 33 13	40 25	72 50 28		7 23 28	10 18 30	Tesse (*935)		366 390 420	98 90 10	73	2 2	2 · 4 15	5 20	15
Importal Gr. (*393)	200 200 300	27 29 29	=	Ξ	32	Ξ	Ξ	Option FT-SE 352 Index 155 (*2679) 157	5 11	pt 0	a. No 92 20 67 10		Sept	0ct_ 3 7	iter,	Dec.
Ladenke (*368)	300 930 360	72 42 25	52 55 55	- G	_	2 7		160	5 1	90 1 95 1 95 1 95 1	동나	2 - 2 - 2 126 7 115	1	SHIGS.	73 H 27 7 4	=
LASMO (*133)	120 130 148	26 17 11	30 21 17	36	7		13 18 25	September 4	September 4. Total Contracts				20 20 20 20 20 20 20 20 20 20 20 20 20 2		27 10 51	





WORLD STOCK MARKETS

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The control of the			GERMANY	I .		1- ' '	CANADA					
TOURISE AND			, Dm	Sept. 4 Kroner —	Sept. 4 Aust.5	Sept. 4 Yen	CANADA					
Indices		Interuntal	Adlanz Vers	Elizam	Hartogen Energy 2.05	Missul Es 16	TORONTO Closing prices September 4 8804 AMCA Int \$141, 173, 141, +5, 18200 Cot 5220 Abitible Pr \$273, 229, 229, -19, 900 Cot 5220 Abitible Pr \$273, 229, 229, -19, 900 Cot 5220 Abitible Pr \$273, 229, 229, -19, 900 Cot 52545 Abbrits En \$121, 1179, 121, +5, 1955 Cot 5220 Abitible Pr \$273, 229, 229, -19, 900 Cot 52545 Abbrits En \$121, 1179, 121, +5, 1950 Cot 5255 Abbrits En \$121, 1179, 121, +5, 1950 Cot 5255 Abbrits En \$121, 1179, 121, +5, 1950 Cot 5255 Abbrits En \$121, 1179, 121, +5, 1950 Cot 6255 Abbrits En \$121, 1179, 121, +5, 1950 Cot 6255 Abbrits En \$121, 1179, 121, +5, 1950 Cot 6255 Abbrits En \$121, 1179, 121, +5, 1950 Cot 6255 Abbrits En \$121, 1179, 121, +5, 1950 Cot 6255 Abbrits En \$121, 1179, 121, +5, 1950 Cot 6255 Abbrits En \$121, 1179, 1	iethan \$694 99 84 missoo \$1354 137- 1384 139- 139- 139- 139- 139- 139- 139- 139-	785 Kerr Add \$18% 12000 Keens Gld \$28 17422 Labest \$284 48468 LL Lac \$254 48468 LL Lac \$254 48468 LL Lac \$254 48468 LL Lac \$254 48525 Lacdew A \$275 48525 Lacdew A \$275 48525 Lacdew A \$275 48525 Lacdew A \$275 48526 Leigh Inst \$54 12100 Loblew Co \$174 12100 MicC \$8 600 MSR Ex \$20 196780 Michan H X \$194 40 Mich H Y I \$172 18700 Macraillan \$375 86793 Magna A f \$254 8690 Marritme I \$169 946 Mc Intyre \$27 8690 Marritme I \$169 946 Mc Intyre \$27 8500 Marritme I \$259 8500 Marritme I \$259 1200 MicC orp \$65 1200 MicC orp \$65 1200 MicC orp \$67 1200 MicC orp \$254 12100 MicC orp \$254 1220 MicC orp \$254 1235 MicC orp \$254 1255 MicC orp \$13 1250 MicC orp \$184 1250 Norcan ord \$182 1250 Norcan ord \$182 1250 Norcan ord \$183 1250 Norcan ord \$184 1250 Norcan ord \$183 1250 Norcan ord \$184 1250 Norcan ord \$183 1250 Norcan ord \$184 1250 Norcan ord \$183 1250 Norcan ord \$183 1250 Norcan ord \$184 1250 Norca	## 184		
Second Company	# 17 m is in	Accor		Jeimoll 3,925. +25 Landis & Gyr 1,950. +5 Nestje 8,510. +85 Oer-Buehrie 1,72085	Asshi Glass	Cold Storage 3.83 -0.12 1085 7.70 -0.15 16enting 4.96 -0.82		Indi	ices	-		
Company Comp		Rongrein 2010. 45	AEGON	Sandoz (8r)	Casic Comp 1,230 . —10 Chugai Pharm 1,270 Dal-i	Majay Banking 4.40 -0.12				, ept. · Sept. Sept. 1986		
OVER-THE-COUNTER Nature metional numbers, closing prices The continued from Page 65	C. 2 Jan 2011	Club Mediter'n 639 Cle Bancaire 363 +15 Colimeg 412 +2.5 Damart 2,265 -35 Darry 5,800 -90 Durnez 3.A. 1,575 +18 Enux (Cle Gen) 1,410 +45 Elf Aquitane 357,5 +12.5 Essilor 3,200 +30 Gen.Occidentale 1,085 +13 Imetal 1,480 +0.30 Lefarge Coppee 1,48 +29 L'Oreal 3,710 +70 Legrand 4,475 -20 Maisons Phoenbe 207 +10 Maisons Phoenbe 207 +10 Modelin 8 3,495 +95 Midhelin 8 3,495 +95 Midhelin 8 3,495 +95 Midhelin 8 3,495 +15 Moet-Hennesy 3,550 +54 Moulinex 77,16 +1.25 Moet-Hennesy 3,550 +54 Ferrier 785 +13 Ferriod Ricard 1,057 +4 Ferrier 785 +13 Ferriod Ricard 1,057 +4 Ferrior Ricard 1,057 +4 Ferrior Ricard 1,057 +4 Ferrior Ricard 1,057 +4 +7 Ferriod Ricard 1,057 +4 +1 Ferriod Ricard 1,057 +4 +1 Ferriod Ricard 1,057 +4 +1 +1 +1 +1 +1 +1 +1	AKZO	Surveillance A	Dai Nippon Ink. 520	Mutth Purpose	Sept 4 3 2 1 29 28 28 28 29 28 1 29 29 29 1 29 29 29 29 29 29 29 29 29 29 29 29 29	High Law High Law	AUSTRALIA AII Ord. 11/1-80) Metals & Mnls. (1/1/89) AUSTRIA Creditbk Aktien/39/12/84 BELGIUM Brussel SE (1/1/84) DENMARK Copenhagen SE (5/1-85) FRANCE CAC General (151/12/82) Ind Tendance (5/1/2/82) GERMANY FAZ Aktien (5/1/2/83) Commerzbank (1/12/83) Commerzbank (1/12/83) HONG KONG Hang Seng Bank/51/7/84) ITALY Banca Comm Ital, 1972 JAPAN** NIKkel (16/6-88) TOKYO SE New (4/1/85) NETHERLANDS ANP.CDS General (1970) NORWAY Oalo SE (4/1/83)	4 5 2 1 High Low 251,7 1220,8 1211,4 1200,6 1247,0 (7.5) 1810,8 (2:1) 580,1 654,8 657,1 549,8 602,0 (24.5) 481,1 (29.5) 241,2 240,25 240,15 288,17,265,64 (25/4) 226,58 (6.5) 241,2 240,25 240,15 288,17,265,64 (25/4) 226,58 (6.5) 340,95 3885,88 3877,27 3852,58 3840,95 (4.8) 2768,91 (15/1) 195,6 195,16 198,75 199,88 250,70 (18.4) 185,58 (6.1) 195,6 195,16 198,75 199,88 250,70 (18.4) 185,58 (6.1) 191,5 405,7 416,9 412,5 412,5 (1.5) 267,8 (2/1) 195,5 2165,5 2168,8 2121,7 2276,8 (17/4) 585,82 (22/7) 195,5 2165,6 2138,8 2121,7 2276,8 (17/4) 1762,4 (22/7) 1948,7 1944,58 1950,61 1903,02 1950,12 (18.8) 1559,24 (19/5) 1011,67 818,78 818,88 228,24 908,20 (20/5) 454,67 (24/1) 1518,8 1515,88 1551,06 1545,08 1568,65 (20/5) 12691,5 (21/1) 150,1 227,5 229,5 229,7 500,1 (4/6) 240,4 (5.5) 180,0 229,5 229,6 225,7 500,1 (4/6) 240,4 (5.5)		
Continued from Pages 45 Continued from Pages	: 	In Kroner.			· · · · · · · · · · · · · · · · · · ·	Tongaat Huistia, 7,00	N.Y.S.E. ALL COMMON 1388	INSES AND FALLS	Straits Times (30:12:66) .	— 1809.0 1758.9 1727.0 1809.0 (4.9) 1109.1 (21)4)		
RISES 10 Control News 40 Pearworn 360 Pearwo	* / 1 / 1/ 1/ - 1/ 1/ *	Soles Kigh Low last Soles Kigh Low last Soles Kigh Low last Soles Soles	Stock Sales Hamilton Stock Sales Hamilton Stock Sales Hamilton Sales Sales Hamilton Sales Sales	224, 224, 3, 3 Sonce? 30 S	And High Low Last Change (1974) 40% 4 14 14 18 18 18 18 18 18 18 18 18 18 18 18 18	(Nada) 32 314, 32 + 14 1 32 52 51, 51, 51, 51, 1 1 32 52 51, 51, 51, 51, 1 1 30 53 51, 31 31, 4 3, 2 20 11 105 351, 351, 351, 51, 51 1 105 351, 351, 351, 51, 51 1 12 161, 15 161, 16, 161, 161 1 22 23 162 16 25 16 25 16 1 157 12 164, 164, 167, 167, 167, 167, 167, 167, 167, 167	NYSE-Consolidated 1580 Ar 1580	2.912 2.908 1.992 277 5.66 818 775 1.862 818 288 373 485 Clives Seeks 3.88p.m. Change Timelal Price on Day 1,845,902 25 yr. 1,845,902 25 yr. 1,859,900 7844 144 1,365,800 xs 2842 48 1,365,800 xs 2842 44	SPAIN Madrid SE (50/12/85) SWEDEN Jacobson & P (51/12/66) SWITZERLAND SWISSBARKCPR (51/12/56) WORLD M.S. Capital Intl.(1/1/70)	- 1544,6 1825,0 1300,0 1844,0 14.9 1018,5 12/1) 204,28 203,81 208,74 189,05 204,23 (4.9) 109,83 (5.1) 396,7 2485,96 2438,79 2592,88 2620,62 (12.8) 1729,57 (29.1) 371,5 567,8 564,0 560,6 625,5 (8/1) 497,2 (4.8) - 556,6 387,4 860,8 860,8 (1.9) 249,8 (25/1) ust 30r Japan Nikkel 18787,4. TSE 1546,74.		
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the prospects of US inflation. Prices Paris recovered the losses of the two and Kingss dropped R3 50 to R50 so	PHONORPHAPAPAPAPAPAPAPAPAPAPAPAPAPAPAPAPAPAPA	0000 18 125 49 49 49 49 49 49 49 49 49 49 49 49 49	2 Sensor .03 18819 55 3 Symstr .88 22 1028 2212 5 Symstr .88 22 1028 2212 5 SycFret .15 452 21 1 SyCFret .15 34 773 5 Symstr .96 20 1639 342 1 SyChela .16 19 189 342 1 Symstr .18 10 185 534 1 Symstr .18 19 189 57	94 10 Toffus 7 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	13 1114 1114 114 14 Willorfel 55 13 1514 19 19 3 25 25 25 25 2 2 2 1 2 2 2 1 2 2 2 2 2 2	W W 1.12 19 45 28 251; 28 + 1; 32 15 78 251; 221; 23 - 1; 46 825 6 55; 6 5 + 1; 40 8 161 40 351; 40 + 1; 40 83 122; 472 25 25; 267 + 1; 40 35 122; 473 25 25; 267 + 1; 40 25 210 15; 167; 17; 15 283 502; 467; 467; 167; 1 1; 10 23 161; 162; 167; 1 1; 11 101 182; 161; 162; 161; 1 1; 40 25 210 124; 231; 241; 11 201 142; 231; 241; 183; 183 464 5 1; 47; 47; 1 1; 183 464 5 1; 47; 47; 1 1; 183 464 5 1; 47; 47; 1 1; 183 464 5 1; 47; 47; 1 1; 183 464 5 1; 47; 47; 1 1; 183 464 5 1; 47; 47; 1 1; 183 464 5 1; 47; 47; 1 1; 183 464 5 1; 47; 47; 1 1; 183 464 5 1; 47; 47; 1 1; 184 190 467; 47; 47; 1 1; 185 190 101; 101; 101; 1 1; 185 190 101; 101; 101; 1 1; 185 190 101; 101; 101; 1 1; 185 190 191; 151; 151; 1 1; 185 190 191; 151; 151; 151; 1 1; 180 25 10 71; 77; 77; 77; 1 1; 180 872 181 17; 18 + 1; 180 17; 181 17; 18 + 1; 180 1872 181 17; 18 + 1; 180 1872 181 17; 181 + 1; 180 1872 181 17; 181 + 1; 180 1872 181 17; 181 + 1; 180 1872 181 17; 181 + 1; 180 1872 181 17; 181 + 1; 180 1872 181 17; 181 + 1; 180 1872 181 17; 181 + 1; 180 1872 181 17; 181 + 1; 180 1872 181 17; 181 + 1; 180 1872 181 17; 181 + 1; 180 1872 181 17; 181 + 1; 180 1872 181 17; 181 + 1; 180 1872 181 17; 181 + 1; 180 1872 181 17; 181 + 1; 180 1872 181 17; 181 + 1; 180 1872 181 181; 180 180 180 180 180 180 180 180 180 180	Continued from Page 46 industry orders rose 0.9 per cent in June had little impact. Chemicals resisted the technical and dollar-related pressures as BASF firmed DM 1.80 to DM 282 and Bayer added DM 1.70 to DM 310.50. Steels were mixed as Hoesch picked up DM 3.50 to DM 160.50 and Krupp dropped DM 7 to DM 144. Cars were erratic with Porsche up DM 12 to DM 1,070 despite the lower dollar. Its North American subsidiary revealed a 77 per cent jump in August sales to 2,956 units after the close of trading. VW added DM 3 to DM 542 and Daimler retreated DM 2 to DM 1,316. Bonds were subdued due to the lack of a clear interest rate trend although an easier bias developed over concern on	Montedison finished rise at 1.3,640 after 1.3,515 in response to ta revelation. Olivetti's huge ca forced the office equidown to 1.18,650. Stockholm lost micreasing unease over of West Germany or lower interest rates. Volvo retreated Swhile SCA, the forest to SKr 265. Ferment early fall but finished at SKr 123 as small in ly after the recent all larities surrounding group.	the day with a L10 trading as low as the latest Fermen- upital raising plan aipment group L50 ore ground on interest determination Japan to move on Kr 6 to SKr 379 ry group, lost SKr 9 a suffered a sharp d down only SKr 7 investors sold heavilegations of irreguthe biotechnology	A MODEST ADVANCE from the start in Toronto featured continuing strength in industrials, oils and metals and mines. Blue-chip industrial Canadian Pacific rose CS¼ to CS16¼ and Bell added CS¼ to CS39¼, but leading active Canadian Tire "A" fell CS¾ to CS15, although the company said it knew of no developments to justify recent trading in the stock. Canadian Imperial Bank of Commerce eased CS¼ to CS17¼ after reporting a fall in profits. In Montreal, the market portfolio index rose 7.40 to 1538.58 on active turnover with most big share groups advancing. SOUTH AFRICA PROFTT-TAKING sliced into recent gains among gold issues and the easier tone in that sector pulled other issues mostly lower in Johannesburg		

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BELGIUM & LUXEMBOURG

Bonds were subdued due to the lack of a clear interest rate trend although an easier bias developed over concern on the prospects of US inflation. Prices moved within a range of 20 basis points.

The Bundesbank sold DM 56.8m of paper after buying DM 197.3m on Wednesday. The average public authority bond yield held steady at 5.57 per cent.

Milan was mixed under profit-taking pressure and very selective demand.

Paris recovered the losses of the two previous sessions with particular attention on oils as Elf, up FFr 12.50 at FFr 357.50, announced healthy first-half profits. Total-CFP jumped FFr 14.80 to FFr 479.80 on its first half figures.

Osle held at high levels despite some profit-taking.

SOUTH AFRICA

Western Deep Levels shed R4.50 to R152 and Kinross dropped R3.50 to R59.50.
Other mining issues were dragged below their recent higher levels. De Beers ended R1.20 lower at R33.80 and Impala

lost R3.50 to R54.50 but antimony issue Murchison moved against the trend to end up 65 cents at R12.65. Industrials were mixed

Grum p2 00 10 10 29 29
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Continued on Page 45

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YSE COMPOSITE CLOSING PRICES

AMEX COMPOSITE CLOSING PRICES

3	BowNai .20 Bowm; Bowns .44 Braces .80	369 62	55 84 35 35 224 22 15 203	84 + 1 35 + 1 22 - 1 21 + 1	GldFld GrndAu.20 GrtLkC 52 Greens	25 9 93 77 21 22 957 35 77 396 12	333 ₄	21½ + 1¾ 34½ + 1¼ 12¼ - ½	Michie .24	528	111, 101 ₂ N N 157, 153,	104+1	USRING Ultimite UFoodA 10s	10 205 16% 2 147 2%	U 2%	21g 162g + 3g 22g
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	ChillédA .20 Chille 1.20a Chille CtyGas 1.20 CmpCa	15 B 3	23 22% 71, 71, 38%, 38%, 8%, 8%,	24 + 14 23 + 59 714 + 14 3859 + 39 859 - 19	HershO HoffyCn HensGp HensShn	29 45 7 54 187 28 1411 231 681 1311	41 ₀ 185 ₁ 211 ₉ 1253 ₁	41g + 1g, 185g - 14 221g + 114 1295g + 41g	Cakveds .06 'COkiep OzarkH 'PaltCps .36	14 310 67 75	164 154 45 45 184 165 394 385	163; + 3; 43; + 3; 185; + 1; 397; + 3;	WangB .16 WangC .11 WanPs: 1.12 Winfrd	42 2118 145, 47 3 142, 20 28 154 12 29	147 ₈ 147 ₄ 154 17 ₆	169 + 19 161 151 +1 173 + 18
	Concor ConrCp ConsOG	24 4 1 124 163	2017 2038 1036 1036 835 d 8 112 138	2012 + 14 1039 8 - 12 110 + 14	HrneShei Hormei .55 HrpHer HouOT .89e Hustvo .20	557 44 17 40 33 2325 13 151 31 1300 69		435 + 15 33 + 5 13 + 7 34 55 + 3	PE Cp PeriniC .80 PetLw PronrSy PriDem	1189 37	3 3, 5 3, 5 3, 5 3, 5 3, 5 3, 5 3, 5 3,	27-9 + 3, 9-16 + 1-16 3 162 ₄ - 1,	Welkos 25 WellAm WelGrd Wathrg .20 WDrgill	5 19 15 14 174 63 315 10 85 1314 13 1467 1415	144 14 3 124	15 13 ₁ - 1 ₂ 37 ₂ + 1 ₂ 131 ₂ + 1 ₃ 141 ₄ + 1 ₅
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	AdvCir Aequim AliBsh .40 AgncyR I AirMd .10e		5% 5% 6 5% 15% 15 15% 18 4% 4	55g - 14g 6 + 1g 151g 152g 47g + 1g	Circon CizSoCp .88 CizFids .80	23 53 7 47 114 8 10 853 25 15 4963 37 1 23 213 29	5 84 253 3612	71, - 1, 81, + 1, 253, 364, - 1, 281,	Fidier 140 FidthTs 1.28 Figgieß .68 Fittrtiss .44	9 197 9 52 10 26 18 113	3814 38 5734 5714 561 ₂ 541 ₂ 161 ₂ 16	3814 - 18 5714 + 14 5612 + 2 1613	KngWid Kroy .06 Kruger .36 Kulcke	27 168 467 17 9 108 14 247 153 604 95	105g	45% ~ 1 10% 15% 9% + 1
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	Amcest .44 Americ AWAirt ABotr .60	1074 1 13 6	111, 104, 111, 101, 84, 85, 185, 145, 137, 138,	11 - 4 114 + 4 84	Cocasti .88 Coeur Cogenic Cohemt ColabR	19 27 41 363 17 74 3 31 174 11 148 6	2 414 4 167 279	4112+ 14 1716 3 + 16 125+ 16 616 - 16	FEXEC FFIdic .20s FFCala FFFIdes .40 PFnCp .40	3 512 8 123 8 4 176	254 254 22 214 324 324 182 184	25/1 - 17	LameT .40; Lanests .60 Lanes .80 Lawses .24 LeeDta	11 113 64 x253 17 y 14 64 453 17 95 213 20 393 61	162, 45 201,	11½ 17¼ 45¼ + ¾ 21¼ + ½ 5%
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	ApidSir Archive ArgoSy ArizE .80b Arial	22 180 24 217 1	104, 104, 912, 914, 1942, 1634, 146, 446, 35, 314	1034 - 14 1974 - 14 19 - 15 4434 - 14 334 - 14	Constir Concepti CnCap 2.40 CCapR 1.68 CCapS 2.16	30 40 147 53 998 12 198 13 5 208 6 483 112	1172 2 1374 14 674	141 ₄ + 1 ₂ 125 ₈ + 11 ₈ 133 ₉ + 1 ₈ 81 ₄ 111 ₈	Fudrek FutrHB .35	95	39, 35 ₁ 29, 257 ₈	35g - 1g 29 - 1g 24	Marqst Marshis .80 MaridN1.30 Mecols Masstor	27 463 61 11 2114 33 10 640 454 16 24 1908 31	324 443, 239,	574 + 34 3234 - 14 4434 - 14 24 374 + 3-18
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The control of the co **WORLD ECONOMIC INDICATORS**

every Monday-Only in the Financial Times

FINANCIAL TIMES WORLD STOCK MARKETS

WALL STREET

Bonds lead climb to new peak

US STOCK markets surged ahead yesterday as a steadier tone in federal bonds helped restore Wall Street's confidence that inflation will remain low as the economy gathers pace, writes Terry Byland in New York.

Rumours of an impending meeting of G-5 ministers were denied by the Federal Reserve, but the blue chip stocks raced ahead on stock futures-oriented buying programmes, which took the Dow average up by nearly 40 points to a new closing peak.

Transportation, oil and technology stocks led the advance in the industrial sectors, and retail issues moved up sharply on the prospect of a \$2.5bn bid for Allied Stores.

Blue chips dominated at first but gains began to spread across the broad-

er range at mid-session. The Dow Jones industrial average ended a net 38.38 points up at 1,919.71, well clear of the previous peak of 1,909.03 reached on July 2. NYSE turnover jumped to 189.9m shares. At best, the Dow was 40 points up in one of its best daily performances on record.

Major market indices were driven ahead by sharp gains in several major

Frankfurt

Dec 1, 1953 - 100

Paris

CAC General Dec 31, 1982 - 100

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1500

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DJ industrials DJ Transport

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names. Exxon jumped \$1% to \$70% in heavy turnover, benefiting both from the rebound in oil and commodity prices, and also from the share listing in Tokyo which is expected to increase investor interest in the stock.

In the retail sector, shares in Allied Stores bounded ahead \$10% to \$59% in heavy trading after Campeau, the Canadian group, said it planned to offer \$58 a share for Allied Retail sector analysts predicted a wave of takeovers in the industry, and the arbitrageurs were clearly looking for higher terms for Allied.

Federated Department Stores jumped \$3% to \$86% after the retail analyst at C. J. Lawrence had assigned the group a break-up value of \$125-\$140. His pricetag of \$120 for a possible buyout of J. C. Penney took the stock up \$2% to \$78%, and a similar tag of \$70 took K mart up

But the prime takeover spot was taken by Rorer group, up \$2% at \$46% as the sale of Dow Chemical's 10 per cent stake sounded the alarm bells in the offices of the takeover arbitrageurs. Wall Street believes the Dow stake has been taken by Steinhardt Partners, a trading firm, but could be passed on to a predator perhaps Mr Alan Clore, the UK investor
who already holds 13 per cent of Rorer.
Sears Roebuck commencing a stock
buy-in programme, edged up \$% to \$44%

as more than 2m shares changed hands. Technology stocks were active, following comment on the investment press on IBM's latest products, as well as on progress at Digital Equipment, emerg-ing as a fast track market rival for Big

Digital advanced \$3% to \$104% in

Aeg 1988 Sep

-1.5045

1,4995

KEY MARKET MONITORS

heavy turnover, but the most active feature, as usual, was IBM, which bounded \$314 higher to \$139%.

Burroughs, now another major rival for IBM through its merger with Sperry, gained \$74 to \$72% and NCR gained \$1% to \$55%.

The weak spot was Honeywell, \$% off at \$69% – still hurt by the disclosure that Sperry rejected ideas of a bid.

The Detroit car stocks received a cool reception to the latest industry sales figures, aithough these figures will now be boosted dramatically by the major producers' incentive plans Ford, a favourite in recent weeks, plunged \$% to \$57% in hefty trading and General Mo-tors at \$71% edged down \$1%. But Chrysler, regarded as the lowest cost produc-er, advanced 5% to \$39%. American Motors, offering no-cost customer financing, added \$\%\$ to \$2\%.

Atlantic Richfield jumped \$2% to \$60% in heavy trading and other oils which continued to advance were Mobil, up \$1 % at \$38% and Chevron, up \$% at \$46%.

Pharmaceuticals turned lower as a higher dollar threatened their overseas sales. The exception was Upjohn, whose anti-baldness drug received Canadian approval. At \$95%, Upjohn gained \$3.

Bright spots elsewhere included Holi-

day Inns, up \$1% at \$64% after Mr Donald Trump, property developer, took a small stake. Hudson Foods jumped \$1% to \$20% after agreeing to make a cashi

In the credit markets, bond prices moved erratically, while short-term rates reversed early gains at midsession. But the markets were inclined to trade sluggishly ahead of today's federal employment data.

TOKYO

Recovery sparked by electricals

AFTER TWO DAYS of sharp declines. share prices turned moderately higher in Tokyo yesterday, bolstered by strong buying interest in heavy electricals such as Toshiba, writes Shigeo Nishiwaki of

But trading was extremely thin in large-capital issues, such as steels and shipbuildings, and stocks benefiting from domestic demand expansion.

The Nikkei average finished up 54.19 at 18,559.64. But declines outnumbered advances by a narrow margin of 422 to 410, with 135 issues unchanged. Volume fell to 633m shares from Wednesday's 740m as institutional investors retreated to the sidelines.

The yen's decline against the dollar sparked a spate of buying. This centred of favour due to exchange rates and the prolonged slump in the semiconductor market. Furthermore, heavy electricals are considered undervalued compared with the large-capital stocks that had led the booming market in July and August. Toshiba topped the active list with

70.73m shares changing hands and rose Y38 to Y688. Hitachi gained Y35 to Y975, while Mitsubishi Electric closed Y15 higher at Y470.

Electricals were also sought, with NEC adding Y110 to Y1,880, Matsushita Electric Industrial Y60 to Y1,580 and Oki Electric Y30 to Y830. Large-capital stocks firmed. Nippon

Steel was the second busiest issue with 40.16m shares traded and rose Y6 to Y230. But volume was nearly one-tenth of the August peak.
Mitsubishi Heavy Industries, third most active, with 24.77m shares traded.

jumped Y27 to Y615, and Nippon Kokan, also active, ended Y7 higher at Y273. Issues related to information and communications regained popularity. Mit-subishi finished Y70 to Y1,350 and Mit-

sui Y17 to Y770. Construction issues were on a firm note, with Taisei advancing Y11 to Y859 and Kajima Y40 to Y1.320.

Toray dropped Y35 to Y740 under selling pressure. The issue had performed strongly the previous day on prospects for the Health and Welfare Ministry to approve the manufacture of "Feron" beta interferon developed by Toray.

Bond prices rose, although trading was lacklustre. The yield on the benchmark 6.2 per cent government bond, fall-ing due in July 1995, declined to 4.565 per cent from Wednesday's 4.580 per

cent after easing up in early trading.

The issue had been sold heavily on
Wednesday in reaction to the slide in the US bond market, with the yield reaching 4.615 per cent on the inter-broker market. The bond had firmed in overnight trading in New York, pushing the yield down to around 4.590 per cent and attracted even greater buying interest in Tokyo yesterday.

SINGAPORE

cents to S\$2.09

n/a 94.52

94.20 94.25 94.19 94.20

119-15 120-11 119-26 120-03

LOW-PRICED and speculative issues dominated fairly active trading in Singapore as investors continued to take profits on strong gains made in previous ses-Share prices closed generally lower despite some late short covering and the

Straits Times industrial index lost 6.78 to 834.26. Volume was also down as some operators stayed on the sidelines. Among active lower-priced stocks, Chuan Hup gained 11 cents to S\$1.45, while Tan Chong slipped 1 cent to 50.5 cents. Properties, hotels and commodities were mixed as Seaview lost 5 cents to S\$1.78, but major Sime Darby subsid-

iary Consolidated Plantations gained 10

EUROPE

Three more record highs are reached

THREE MORE record highs were achieved on the European bourses yesterday as investors threw aside concern over the mixed dollar and the unsettled tone in recent Wall Street trading.

Amsterdam breached an important barrier as the ANP-CBS General index jumped over the 300 level with a 22 advance to 300.1. Turnover exceeded FI

Sentiment is expected to remain fun-damentally bullish provided US markets do not falter, according to dealers.

Internationals were broadly higher as Akzo gained Fl 3.10 to Fl 163.80 and Royal Dutch picked up Fl 1.30 to Fl 212.80, another high for the year. KLM, meanwhile, managed to distance itself further from its low for the year with another 90 cent gain to FI 45.40.

Banks turned mixed and insurers firmed. ABN was FI 250 up at FI 586.50 while NMB gave up Fl 2 to Fl 232.50; Amev at Fl 79.70 was Fl 1.70 stronger while Aegon moved back into the middle of its 1986 trading range with a FI 1.40 rise to FI 108.20. Aegon also announced the completion of its takeover of Monumental Corp of Baltimore.

Nat-Ned rose Fl 1 to FI 86.70 ahead of plans to make a further US acquisition.

Heineken, due to report first-half results today, eased FI I to FI 185.50 on further consideration of the brewer's expansion plans in Spain and a possible downturn in profits.

Stronger publishers saw VNU jump F1 6 to F1 346, on the deconsolidation of a Belgian unit. Kluwer added Fl 3 to Fl 270 while Buehrmann-Tetterode added Fl 1 to FI 222.50, just below its 12-month high. Elsevier gained FI 2.50 to FI 228.50 in response to its higher first-half fig-

Better-than-expected first-half results took textile group Nijverdal Ten Cate Fl 7.50 higher to Fl 156. Brussels surged to a fresh peak at the

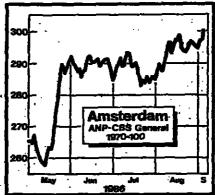
start of the new trading fortnight and on the prospects of receding political difficulties for the Government. The Belgian Stock Exchange index closed 45.09 higher at a record 3,940.95. Bellwether Petrolina hit a new 12-

month trading high with a BFr 210 rise

tal raising operations this week.

Société Générale de Belgique also scored a hefty rise with a BFr 120 jump to BFr 3,200 in response to its optimistic earnings forecast. Groupe Bruxelles Lambert sprinted BFr 105 ahead at BFr

1986 peak with its BFr 150 rally to BFr 8.850 and electrical holding group Trac-



the property sector came alive. Urbis had the best showing with its 5 percentage point advance.
Constructions reversed early weak-

Banks were stronger with Banco Bil-bao hitting another 12-month peak with its 25 point gain to 1,250 per cent and Banco Popular jumping 55 points to a high for the year of 1,480 per cent. El Alguila, the brewer taken over by Heineken, fell 2½ points to 327.50 per cent.

and lower short-term interest rates.

ing jumped SFr 400 to SFr 20,100.

Bonds finished steady to higher in heavy volume. Frankfurt turned mixed in active trad-

of DM 2.0258. News that manufacturing .Continued on Page 43

to BFr 9,180 in response to the two capi-

Leading chemical group Solvay was unchanged at BFr 8,000.

Retailer GB-Inno BM hit a further



tebel scored one of the best advances of the session with a BFr 410 jump to BFr

Madrid was led to record heights as

ness to finish the session broadly higher as Dragados firmed 9 points to 386 per cent of nominal value while Cementos Asland closed 11/2 points ahead at 370 per

Telefonica moved against the trend with its 2½ point drop to 199.75 per cent. Zurich edged higher in active trading in response to a stable exchange rate

Banks managed modest gains as Union Bank added SFr 15 to SFr 6,000, a new high for the year while Baer Hold-

ing and the Commerzbank index gave

up 8.3 to 2,095.3 as the dollar dropped to a 5½ year low at its foreign exchange fix

LONDON

INVESTMENT CONFIDENCE continued to rise in London yesterday on the back of optimism over a successful Trustee Savings Bank flotation and prospects of the larger British Gas issue. Institutional investors chased secondline equities and some blue chips lost their sparkle. The FT-SE 100 added 9.5

to 1,680.3 while its sister index the FT Ordinary gained 9.7 to 1,334.3.

On the debit side, Bunzi dropped 12p to 223p after news of a rights issue and Allied-Lyons gave up 7p to 340p following suggestions that Elders IXL of Australia might direct its attentions to Han-

son Trust's Courage brewing arm.

Longer-dated gilts ended with fresh fall of around %. Chief price changes, Page 43; Details, Page 42; Share information service, Pages 40-41

HONG KONG

ACTIVE TRADING in Hong Kong saw generally steady prices helped by specu-lative interest in Hongkong Land shares following the group's announcement of a rights issue to spin off its Dairy Farm subsidiary. Volume remained fairly heavy and the Hang Seng index closed

1.71 up at 1,946.70. HK Land shares were steady at HK\$6.55, while trading in other property issues included Sun Hung Kai Properties, up 40 cents to HK\$15.70, and Cheung

Kong, unchanged at HK\$24.80.

Hang Seng Bank put on 75 cents to HK\$33.75, while other blue chip banks were unchanged to slightly easier. Among losers, Jardine Matheson, major shareholder in HK Land, lost 40 cents to HK\$16.60 and Hutchison Whampoa fell 50 cents to HK\$34.50 but both remained

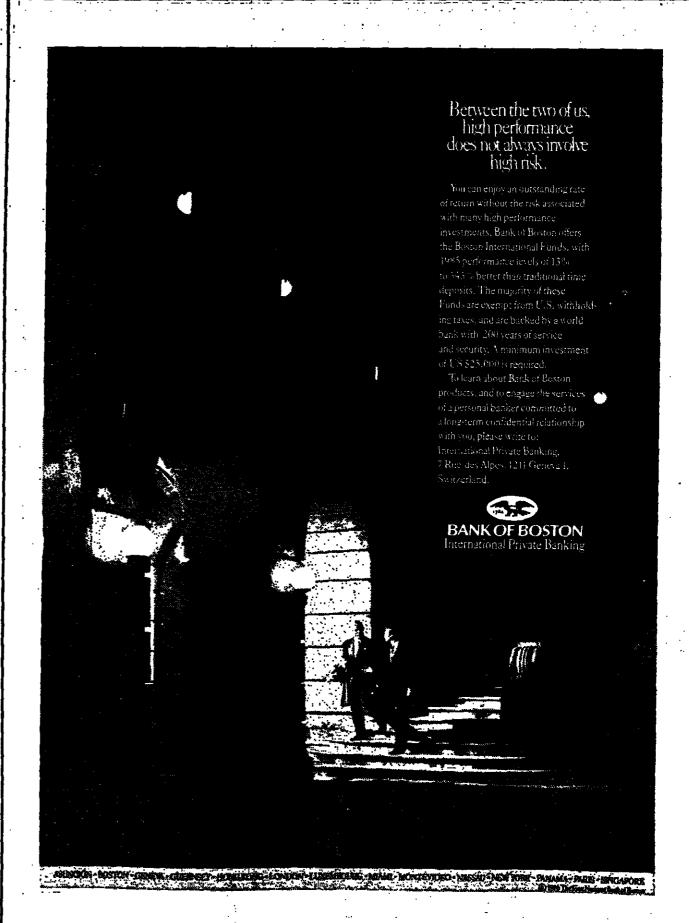
AUSTRALIA

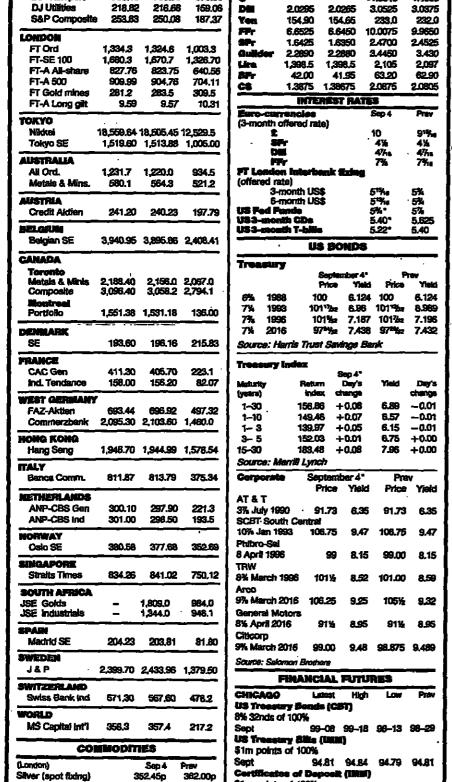
GOLD ISSUES remained the focus of trading in Sydney as the strong rally of the previous session continued.

The gold index leaped to a further record as Central Norseman shot up A\$1.10 to A\$12, GMK attracted 90 cents to A\$12.30, Kidston gained 10 cents to A\$7.30 and Placer put on 5 cents to

Other mining issues benefited from the interest in golds and elsewhere in industrial stocks, banks stood out as a popular sector. Westpac ended 16 cents higher at A\$5.06, National Australian 4 cents to A\$5.70 and ANZ Bank 20 cents up at **A\$**5.46.

Elders, which received clearance for its Allied-Lyons bid, shed 15 cents to A\$4.65, while BHP advanced 10 cents to





\$1m points of 100%

Three-mouth Europe

20-vaer Notional GB

£50,000 32nds of 100%

\$1m points of 100%

Sept

Sect

Sept

LONDON

£903.00 £905.50

\$406.50 \$406.75

\$405,875 \$405.50

\$14.96

\$404.02

\$408.50

\$412.50

£2,337.50 £2,277.50

\$15.10

\$399.59

\$406.40

\$415.50

GOLD (per ounce)

Coffee (Sept)

London

Zürlich

Paris (fixing)

Luxembourg

New York (Dec)

Oil (Brent blend)